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ECONOMIC AND INDUSTRIAL AFFAIRS

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USSR, GDR SIGN LONG-TERM TRADE AGREEMENT

East Berlin NEUES DEUTSCHLAND in German 20 Mar 81 pp 1-2

[ADN report from Moscow: "Significant Agreement for 1981-85 Period: Long-Term Agreement Signed on GDR-USSR Trade--Trade Volume Will Exceed 58 Billion Rubles--Deliveries and Services To Aid Development of Economies Both Countries and Securing of Peace"]

> [Text] On Thursday [19 March] a long-term trade agreement between the GDR and the USSR for the 1981-1985 period was signed in Moscow by the foreign trade ministers of the two countries, Horst Soelle and Nikolay Patolichev. The GDR ambassador to the USSR, Egon Winkelmann, was present at the signing.

On the basis of decisions of the SED and the CPSU on continued all-round cooperation between the GDR and the USSR, and agreements made by their secretaries general, Erich Honecker and Leonid Brezhnev, as well as the coordination between the central planning authorities in regard to national economic planning, foreign trade will reach a volume of more than R58 billion.

The agreements reached about mutual trade and services are of great importance for the stable development of the GDR national economy and for the solution of important economic problems in the USSR. The basis of this trade is realization of the program of production specialization and cooperation between the GDR and the USSR until 1990, as well as the realization of the measures and tasks which result from the long-term programs decided by CEMA. The bilateral deliveries of products of the machine construction industry as well as the electrotechnical/electronic and chemical industry are going to enhance the scientific-technical progress and the intensification and rationalization of production in both countries.

A growing number of products have come from research and production cooperation in scientific institutions and collectives. These products given support to the policy of increasing the productivity of the national economy and its effectiveness, a policy that was expressed in the decisions of the SED and the 26th CPSU Congress.

The major portion of the energy and raw materials import needs of the GDR will be covered by deliveries from the Soviet Union. By making ready 95 million tons of oil, 32.5 billion cubic meters of natural gas, 21 million tons of coal, 16 million tons of rolled steel, 650,000 tons of cellulose, 440,000 tons of cotton, large quantities

of iron ore and chemical substances as well as semifinished materials, important bases were prepared for the GDR for a stable and planned production and for supplies for the population. The USSR will increase deliveries of machines and equipment for the GDR energy and raw materials industry.

With exports of machine assemblies and plants for production and processing of energy carriers and raw materials the GDR, on the other hand, participates in further strengthening these industries in the USSR. This will show among other things in the delivery of strip mining equipment, production equipment for the oil and natural gas industry, chemical plants and nuclear energy equipment.

The exchange of products of the metal processing industry will increase at an especially dynamic rate.

GDR machine construction collectives, for example, will deliver to the USSR 5,500 presses and forging assemblies, milling and tool making machines for $1.4 billion, metallurgical equipment for almost R1 billion, strip mining equipment, approximately 600 railroad craines, plants and individual equipment items for R1.2 billion for the chemical industry, 269 ships, including 48 Atlantic supertrawlers, and 104 refrigeration trawlers, earth-moving equipment for R2.2 billion, approximately 6,500 machine cooling railroad cars, more than 3,250 long-distance passenger railroad cars, textile and printing machines, equipment for the essential and nonessential foods and beverages industry, hoisting and transport equipment.

Products of the electrotechnical/electronics industry also have an important share in GDR exports. Telephone exchanges for 1.25 million call units, for instance, are being prepared, and also equipment for primary data processing and electronic computer processing amounting to approximately R1.2 billion.

For its part, the USSR will deliver to the GDR a growing quantity of tool-making machinery, tools, and also 12,000 heavy trucks, more than 14,000 tractors, 250 bulldozers, 1,650 diggers, more than 500 cranes, equipment for mines and construction and road construction machines. GDR imports of chemical products will reach a volume of R1 billion. For more than R150 million, semi-conductors and other construction elements for the electronics industry will be imported by the GDR.

The long-term trade agreement contains extensive mutual obligations to supply the necessary spare parts for mutually delivered products.

From the USSR the GDR will receive raw materials for light industry, technical consumer goods, home electronic products and photo and movie technology. GDR exports to the USSR in these fields will include textiles, furniture, glass and ceramic products, films, household chemicals and cosmetics, technical consumer goods such as electric appliances, light fixtures, toys, sporting goods and musical instruments.

At the signing of the long-term agreement, Foreign Trade Minister Horst Soelle stated that the keeping of deadlines and quality standards of the mutually agreed upon deliveries and imports would now be the focal point of the efforts by the collectives in industrial and foreign trade firms in the GDR. In keeping with the statement of SED Central Committee and GDR State Council Chairman Erich Honecker, made to the delegates of the 26th CPSU Congress, all workers participating in foreign trade

between the GDR and the USSR will cooperate consistently and purposefully in creating closer ties between the national economies and in intensifying the indissoluble federation of brotherhood between the GDR and the Soviet Union.

Minister Soelle emphasized that this task was also of high international priority at a time when aggressive circles in the imperialist countries are making increasing attempts to disturb peaceful economic cooperation and also economic relations, and instead to resort to a course of confrontation, pressure and discrimination.

The signing of the long-term trade agreement between the GDR and the USSR for the 1981-85 period, and the implementation of this agreement, are under these conditions, an important contribution to securing peace. The economic potentials of both countries will be increased and the socialist state concept will be strengthened overall.

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CSO: 2300/186

PROGRESS OF ECONOMY DEPENDS ON THOROUGH STUDIES

Tirana RRUGA E PARTISE in Albanian Jan 81 pp 5-14

[Article by Andrea Nako: "We Must Precede the Rapid Development of the Economy with Thorough Economic and Financial Studies"]

[Text] Great work has been done and is being done by the party leadership to acquire the knowledge and solve the complex economic and financial problems which have emerged and are emerging because of rapid development of the country. Many studies carried out in recent years by the government and economic-financial organs have been useful in drawing conclusions and taking measures for improving economic and financial management and for fulfilling the tasks of the state plan: Such are the studies for increasing production through the best possible utilization of production capacities for saving raw materials, fuel and other materials and for increasing the sources of accumulation and of exports, for further strengthening of the system of savings and of economic profitability, for knowing and utilizing the economic levers in the best way possible to improve the monetary circulation and effectiveness of investments and so forth.

However, as was stressed at the Eighth Plenum of the Party Central Committee, at the present stage of economic and social development and difficult international situation in which we are building socialism, a more scientific conception and handling of the economic and financial problems and a more skilled economic and financial management of production are required. The issue is, among other things, to overcome, as soon as possible, our relative backwardness in the field of scientific economic thought, implementing in the best way possible Comrade Enver Hoxha's recommendation that "science must assist production planning, precede production and open prospects for economic and cultural development" (Enver Hoxha, "The Progress of the Country Is Inseparable from the Development of Science and Technology," Pamphlet, p 15).

Now, the People's Socialist Republic of Albania is the only socialist country in the world which is building socialism, fully relying on our own human, material and monetary resources without any kind of outside aid and credits. Also, it is a fact, that the pressure of the encirclement, blockade and economic and financial crisis of the capitalist and revisionist world is acting against our country with an ever increasing intensity. Under these conditions, the deep and comprehensive study of economic and financial problems and the discovery of every opportunity or domestic reserve, which will strengthen our finances and economy more and more, become even more necessary. The implementation of the party economic policy and of the requirements of the objective economic laws of socialism, on the basis of which our economy is organized and is developing, assume decisive importance.

Our economy is engaged in a new phase of development; productive and creative activity is taking on greater and greater significance; new production and construction units are continually being created; and cooperation between districts, branches and sectors of the economy is being increased and expanded and is becoming more complex and regular. Consequently, the range of economic and financial problems is also continually expanding. They are becoming more intertwined and more organically linked with the material and human factors of production. Thus, now, their correct solution cannot be found without scientific studies and thorough economic and financial analyses. Of particular importance is the correct understanding of the dialectical unity between the problems of production and economic and financial problems, as two sides progressing and developing together and in harmony, working within this unity. In this field, important tasks devolve on the economists, planners, financial workers, controllers and all other specialists of production and management to keep records and to monitor more systematically, the economic and financial processes and phenomena and to draw timely conclusions and generalizations from the work experience.

As a result of the work done to examine and implement the recommendations of Comrade Enver Hoxha at the meeting of the Politburo of the Central Committee of the Albanian Workers Party on 22 April 1980, the economic and financial problems are now being better examined, and treated from a broader vantage point and are monitored, studied and analyzed operationally every 10-15 days and every month together with other production indicators they are becoming every day more the issues of the working collectives. Consequently, the economic and financial situation of enterprises and cooperatives has improved, and attested by the fact that, although in some cases, production indicators have not been fulfilled according to plan, the economic and financial indicators have been improved, profitability increased and expenditures per production unit decreased, etc.

Nevertheless, there is no room for self-satisfaction. First of all, we need to further expand the study of the party teachings to understand that the economic and financial aspect of production activity is not simply its reflection, as some specialists and workers believe, but is an important lever and means for constantly monitoring and analyzing production activity to influence and better execute the scientifically based organization, management and administration of the economy. The issue is that, on the basis of such a scientific conception of the problem, concrete measures to study the problems linked with increased production, accumulation and economic efficiency, key problems of the economic and financial policy of the party, must be scheduled and implemented.

It is a fact that, during all the stages of building socialism, our economy was characterized by high and strong growth. In 1979, compared to 1960, overall industrial production increased five-fold and overall agricultural production three-fold, while the population increased by 61.2 percent. Now, all the needs for the expanded socialist reproduction are met by domestic accumulation. This fact shows the force and vitality of our socialist economy and is a great victory for farsighted policy and line of our party. In the Seventh Five-Year Plan, too, high rates of increases and a further invigoration of the material and technical base of production are expected in all branches and sectors of the economy.

However, as practice has objectively shown, there are still possibilities for even greater achievements. In the most varied branches and sectors of the economy there were and still are great unutilized reserves. And the dynamic development of our

socialist production is continually creating new reserves and possibilities, whose utilization requires continuing economic and financial studies. It is a fact, for example, that planned production capacities have been overfulfilled at the copper metallurgy plant in Rubik, at the superphosphate plant in Lac, in some workshops of the "Enver Hoxha" auto-tractor combine in Tirana and in other work centers as a result of the efforts by workers and specialists, including the efforts of the economists and financial workers. However, not everywhere, are studies undertaken or is the work carried out with persistence and with pencil in hand to find the possibilities and to determine ways to obtain the maximum of production and accumulation from every existing production capacity. For example, there are still reserves in the utilization of the existing production capacities in the brick and cement plants and in some lines and units producing consumer goods. Through expanded economic and financial studies and through some organizational measures, metal cutting machines, heavy machines used in construction and in land improvement works, agricultural machines, petroleum drilling bits and fishing equipment could be used with greater effectiveness.

In the future, too, the development of industry as the leading branch of the economy the development of agriculture as its basic branch, and the more rapid increase of the production of the means of production, compared to the production of the means of consumption, will be given priority. The many investments expected to be made in the coming five-year plan will be concentrated in these areas. However, this also requires that economic and financial studies be focused in those areas to guarantee a better coordination of the production plans with the plans for material-technical supply and with the other economic and financial indicators.

Life shows that, in some cases, difficulties arise in the fulfillment of the tasks because of the lack of harmony between the production plans and those for material-technical supply. Also, harmful are those practices where problems of increasing production are not seen as closely connected with the improvement of the economic and financial indicators, such as the cost indicator, for revenues realized and profitability that is achieved and other things and on this basis, the necessity and the advantage presented by each product are judged.

A more effective struggle must be carried out, especially, against the manifestations of routine work observed in some production directors and specialists who do not worry sufficiently about increasing production and about improving quality with as much reconstruction and expansion as possible or about replacing old methods and technology with new and more advanced ones to increase production, capital accumulation and economic efficiency. Positive examples and advanced experience, which should be applied, exist everywhere. Such are the great results achieved with improved production and increased capital accumulation in the machine industry and chemical fertilizer industry and also those results achieved by many brigades, sectors, agricultural cooperatives and enterprises. This experience constitutes a broad sphere of work, observation, studies and analyses for the economists, finance workers, specialists and others from which to draw conclusions and tasks to propose concrete measures to be implemented everywhere.

Our economy is developing according to plan and in accordance with the requirements of the objective economic laws of socialism. The expansion of research creates the opportunity to become more familiar with the requirements of these laws in order to establish a correct harmony of the various aspects of social production and set proportions in the process of expanding socialist reproduction. Thus, the increase,

with higher rates, of capital accumulation compared to increased production and material expenditures constitute legal point proven throughout the decades of our building of socialism. However, it is precisely here that we have problems requiring greater attention because although the great majority of enterprises fulfill and overfulfill their capital accumulation plans, some enterprises, for example, agricultural, construction and mining enterprises which do not fully fulfill their tasks in the field of accumulation. There are also some enterprises, such as fishing enterprises, where production profitability has been decreasing because increased expenditures for modernizing the material and technical base have not always been accompanied by the required increases in production and capital accumulation. The same thing must be said for some agricultural enterprises and cooperatives where increased production and revenues have not grown in proportion to expenditures. The level of capital accumulation also affected by some enterprises which continue to produce at a loss.

A thorough study of these problems at the enterprise, district and economic branch levels will make it possible to discover and better utilize the many domestic reserves that exist for increasing production and accumulation. Particular attention is given especially to the completion of comprehensive technical-economic and financial studies to improve the effectiveness of expenditures and the best use of the material and technical base of the economy. For example, we have great reserves in the area of reducing production expenditures. It is a positive fact that during 1980, the majority of the enterprises reduced their production costs about 200,000,000 leks more than planned. However, there were also many enterprises which had excess expenditures. The scope of economic and financial studies is very wide on this subject and comprehensive, especially, in the area of the best administration and economical use of raw materials, fuel, electric energy and expenditures for production of other materials to increase the coefficient for their use. However, this requires that economists, planners, finance workers and specialists direct their attention toward production much better than hitherto and widen their vantage point on these problems; they must constantly follow-up these problems with studies and concrete analyses, give ideas and implement measures, especially, to perfect the technical norms of materials, establish stronger control over the use of the technical and material base of the economy and to implement everywhere and in every thing a strict system of savings. Knowledge and better use by our cadres and specialists of the levers and economic and financial categories, such as cost, profitability, price and credit and so forth will serve this purpose. The sphere of studies in these fields is wide and not properly used. Our socialist economy spends many millions of leks every day. That is why expanded and complex studies for improving their effectiveness have a great importance.

The party has continually stressed that we must correctly foresee the investment funds and strictly control implementation by taking comprehensive measures to improve their effectiveness. This requires that we focus our attention on two main directions.

First, complete and scientifically based studies are needed for every project and for every kind of investment that is included in the plan. Profit must be properly established, the necessity and the consequences of production and accumulation determined and work completion schedules set. Priority must be given, especially to investments for the expansion and reconstruction of existing projects, because experience has shown their completion produces great results, with small investments and in a very short time. To have a better idea of the effectiveness

of investments, the studies should be subjected to a comprehensive examination by responsible specialists and working collectives. This will help eliminate the manifestations of subjectivism and the placing of local and departmental interests above the general interests which have been observed in some cases. Also, to assure complete conformity of the investment plan it is important that the necessary technical and material base be available at planning time. This is especially important in the construction materials industry because there are cases when, because of the absence of such a coordination, difficulties and obstacles arise in the construction of projects or their completion in accordance with the stipulated size and structure.

Second, comprehensive technical and organizational measures must be worked out and implemented so as to assure the quality execution of investments on time by eliminating delays and violations of deadlines which have been observed in many projects so far. Here, a particular role and great tasks devolve on workers, cadres and specialists of the construction enterprises who, increasing their studies and progressive experience have all the conditions for building simple, better and less expensive projects for improving the level of mechanization in construction. They must consider and plan so as to guarantee that construction materials are near the projects and not require the transport of stone, bricks and inert materials from far away, as it happens in certain districts, causing expenditures that considerably increase production costs.

The measures taken recently to establish the calculation of crops in the agricultural units are important. However, it is necessary that these measures be accompanied by more analyses and expanded studies so as to improve the effectiveness of expenditures in agriculture. As the experience of many advanced units has shown in agricultural production it is possible to insure greater efficiency in material expenditures by better harmonizing and combining these expenditures with those of manpower and with the other agro-technical and organizational factors of production. The fundamental thing is to have better utilization of the land, production capacities, selected seeds, breeding animals, of fruit growing areas and of olive groves. Here, one finds many problems of a technical-organizational and economic and financial nature to solve with studies and analyses with the best conditions possible, especially, some problems which are frequently disturbing. For example, you can make investments to create blocks with fruit trees in hilly and mountain areas. However, expanded studies and proper calculations are needed as to where and how these investments can be carried out with greatest effectiveness and how to stipulate the deadlines to pay off these capital expenditures.

These problems require a more scientific treatment not only from the technical point of view, but also from the economic, financial and organizational point of view, at the level of the economy and at the level of district and of the whole country. Such a treatment is required, for example, by the great problem of the centralization and specialization of agricultural and livestock production, because, it is a fact that, despite the progress achieved in this field, there is still room for more complete studies to find and execute better variants to expand the progress at the level of the economy and the district, and also on a broader scale to create areas of agricultural and livestock production with high productivity and low costs. Such a treatment is also required by the problems of the preservation and expansion of the supply of agricultural land and of the need to improve its fertility, because, despite the fact that new lands have been reclaimed and are being reclaimed, the land area per capita has a tendency to decrease because of faster increase in the population. This, among other things, requires that more expanded studies be

carried out and stronger measures be taken to preserve the land area, especially, from erosion, and to reduce to a minimum the land area allotted for industrial construction and social-cultural projects. Construction should be not only horizontal, but also vertical and, to continue studies to implement, without fail, the tasks set for improving the fertility of the land so that the increasing requirements for agricultural products can be fulfilled, by increasing the productivity of agricultural crops.

Life shows that the factors and ways which lead to increased labor productivity are not always extensively studied everywhere; therefore, the results in many enterprises are not at the required level. There are erroneous concepts and harmful practices. Thus, the planning for manpower needs and for wages is not done on the basis of expanded economic and financial studies and in accordance with the conditions of every work center; on the contrary, it is often done in a global manner and on the basis of empirical knowledge; it is also done on the basis of erroneous concepts "so as to be with it," thus, leaving the door open to the manifestations of subjectivism and of voluntarism. It is because of these reasons that, every year, some enterprises and sectors present more demands for manpower than they would have really needed if they had studied and evaluated the opportunities and reserves at their disposal for increasing labor productivity by expanding mechanization, strengthening proletarian discipline in work and eliminating unjustified work interruptions, etc.

The concrete tasks for improving work norms have been set and there has been good progress in this field, raising them in accordance with the established conditions. However, the ideological-political and technical-organizational work to execute work norms and to continuously re-examine them in accord with the concrete conditions of every economic enterprise and agricultural cooperative are not yet at the required level. Because of this reason and because of some other weaknesses, it happens that complete harmony is not assured between work norms and plans for production, construction and services, on the one hand, and the wage fund; on the other hand, in many cases while the work norms are overfulfilled, the production plan is not fulfilled, or while the work norms are not fulfilled by workers, the wage fund and average wage are fulfilled and, even, in some cases, are exceeded. The issue is that we must continually follow-up labor productivity as an objective economic law. The most extended analysis of this problem, according to the concrete conditions of every production center, will lead us to the most correct conclusions and indicate the measures that must be taken, especially, in those enterprises where labor productivity is not achieved, while the wage fund and average wage are fulfilled, or where the wage fund is exceeded but not accompanied by the overfulfillment of the production tasks.

The good administration of socialist property has been and remains in the center of the attention of all workers, especially those in the economic and financial fields. The party assigns us the task of improving and implementing, without negligence, preventive measures for eliminating damages and abuses by placing the workers themselves in the defense of property and implementing our socialist legislation without negligence. Among other things, it is necessary to strengthen and perfect, especially, the state economic and financial control over production and distribution and over every work process, properly calculating and continually controlling how every material and monetary value is managed and used. Of importance is the improvement of the effectiveness of the economic and financial control so as to make it a fence against the activities of irresponsible elements and of enemies and

against the manifestations of liberalism. And, we must say that these things are not functions and tasks devolving only on economists and financial workers and on control units, as some people think; on the contrary, they are tasks for all workers, cadres and specialists and all the management links of the government and the economy. Every one who produces and manages, the party instructs, must also control.

The recommendations of the party and Comrade Enver Hoxha's teachings about the expansion of scientific study work and of the technical and scientific revolution have increased the mobilization in work of economists, financial workers and of other specialists. But, the Eighth Plenum of the Party Central Committee assigned the task that, strongly assimilating progressive experience, we must make further expanded revolutionary changes in the method of work and of study.

There are many problems in this field, but the party, among other things, has placed the emphasis on establishing a more correct relationship between operational and purely technical work and research work, because, it is a fact that many economists and finance workers still continue to deal exclusively with recording figures, events and facts, without going to the depth of the economic and financial matters of production and without drawing conclusions and generalizations from the work experience. While, in order to open wider concrete horizons to their study work and to make it the most effective, it is essential for them to link all their economic and financial activity more organically with the main problems of production, accumulation and consumption and with the activity of the people in the daily work process for the production of material goods.

Of course, to implement the required shift in this field, it is necessary, among other things, to struggle against those erroneous concepts existing in some cadres and workers that "only certain skilled specialists can deal with scientific studies" and that "economic problems are hard to study" and so forth. Practice shows that all economists and finance workers have, in the place where they work, all the opportunities to deal concretely with studies and analyses. However a greater evaluation of the scientific work and greater determination in this work are required from everyone.

Of course, scientific study work in the economic field has its own special features and difficulties, but these difficulties are not unsurmountable. Experience shows that difficulties are overcome when we place before them, the best organization and management of work, the strengthening of control and of the requirement for reporting and disseminating study work among the masses, considering it the task and function of every economist. Therefore, the party advises us to revive and develop, among the economists and financial workers, the desire to deal with economic and financial studies and analyses. Also, we must take into consideration that the value of a study is not measured by the number of pages and formulas, as some people believe, but by what it produces so as to understand and correctly solve, on schedule, the problems that prevent our production and the economy from progressing.

Today, we have an entire army of economic cadres with higher and middle education, or over 14 times more than what we had in 1960. According to a study carried out, it appears that their formation and distribution have been progressively improved. Measures have been taken to make improvements from the moment of the admission of students to higher and middle schools. However, there still much remains to be

done in order to further strengthen work for the training and the best use of economic cadres. Experience shows that many economists have shortcomings in their training. Therefore, as the Eighth Plenum of the Party Central Committee recommended, a great importance is given to the organization of work for the training and continual efficiency of the economists and financial workers, because the great development of the economy requires, and will require even more in the future, cadres with great cultural and deep economic and financial knowledge.

The ways and forms to assure this skill are known, but they must be better adapted than until now to the conditions and characteristics of every work and production center. Experience shows that the organization of post-university courses and of seminars and a better combination of study work between new workers and workers with more experience and between the workers in the grassroots and those working in headquarters are effective means for improving skills. The main thing still is that all this work must be better organized, managed and monitored in regard to its importance and quality. Important tasks in this field are assigned especially, to the ministries and the executive committees of the district people's councils and also to our middle and higher schools so that cadres are continually trained and provided with the necessary economic and financial knowledge and so that they will have, at any time, the best ideological and professional level possible.

The economic and financial problems are in the hands of thousands and thousands of production and administrative workers dealing with material assets. From here arises the task for all cadres, especially, economists and financial workers, to carry on a greater and more skilled work in order to familiarize all workers more and more every day with the art of economic and financial management. Of importance here are, especially, the effective 10-15 days economic and financial analyses, making them on schedule and simple, concrete and understandable for all. The main thing is that in these analyses one must concentrate on the key problems that concern every production unit and, on this basis, the concrete measures for the elimination of shortcomings and for the generalization and dissimination of progressive experience must be determined and implemented at the right time. Also, the examination of the basic economic and financial problems time after time with the working masses, the publication of a greater number of pamphlets and articles on these matters and the continuing organization of talks, lectures and so forth will better serve this purpose.

Particularly, the production specialists need to become better acquainted with the economic and financial problems and have them in mind in every step of their technical, organizational and managerial activity, because, in spite of all the improvements in this field, they still have weaknesses. Thus, many production specialists do not see and do not follow-up the economic and financial indicators step by step, considering them the task only of some economists and financial workers. This is why in some studies and analyses for increasing production or for building new projects, financial matters are neglected and are not treated with the apprehension and concern that is recommended by the party. However, on the basis of such studies, it is difficult to have a deep and correct opinion both in regard to the necessity of production and in regard to the advantage and level of its effectiveness. And, there are some enterprise and cooperative directors who do not dwell properly on the economic and financial indicators and do not insist that they must be examined in continuity by all cadres and links of the management.

The improvement of the effectiveness of the work of economists and financial workers is linked with the further increase in the care, aid and control by the basic party organizations and the economic and government leaders. The issue is that economists and financial workers must not only be better assisted and checked in the execution of their tasks, but also they must be heard and strongly supported when they express their thoughts and when they make valuable suggestions. In the meantime, broad work horizons must be opened to them and they must be involved in concrete actions for carrying out as many analyses and studies as possible. Experience shows that we also have cases when economists and financial workers are not properly used; their specialities are not kept or there are hesitations in regard to raising new cadres, from their ranks, to the positions of responsibility. There also are cases showing that economists are ordered to carry out unfair activities, just as there are economists who are capable, but appear to be liberal and do not take measures in time to prevent illegal actions. Therefore, it is a duty to know better and to make greater use of the economic cadres and to intensify the struggle so as to improve their role and personality.

9150
CSO: 2100/53

PROBLEMS IN MAINTENANCE OF POWER SYSTEMS

Tirana ZERI I POPULLIT in Albanian 3 Feb 81 p 3

[Article: "Problems in Maintenance of the Power System"]

[Text] The further strengthening of the power system, the complete elimination of losses resulting from carelessness and defects, and the expansion of the added capacities of its resources, constitute important tasks for the workers of this sector.

The maintenance of readiness must be permanent and at the level where the aggregates generating power will be in the position, when it is necessary, to operate for a relatively long period and without interruption. Experience has been acquired as regards the system. Studies on automation and new applications have resulted in the increase of production and in the reduction of cost of the energy produced. Thus, last year, too, the relationship between the production of hydroelectric power stations and the thermoelectric power stations was improved, a fact which resulted in savings of about 100 million cubic meters of gas and 40 thousand tons of coal, by producing at the same time over 350 million kilowatt hours of power above the plan from hydroelectric power stations and by reducing the production of thermoelectric power stations by about 200 million Kwh. The annual export plan for electric power, too was exceeded. The net income of the power enterprises was 20 percent above the plan. The preceding five-year plan was fulfilled 40 days ahead of schedule.

These are indicators of the good quality of power enterprises. Nevertheless, in production there are quite a few things which are not proceeding smoothly. Cases of defects and shortcomings have been reduced, but the duty is to prevent them from occurring again. Last year, for example, quite a few defects occurred in the power transmission lines. They can be traced to shortcominggs in the work of the managements of enterprises and of the directorate for the utilization of the power system. When these cases are criticized, there are specialists who claim "they are fewer than in the past." This is true, but such concepts foster complacency, and therefore they must be fought because they hinder scientific management.

Improvement must be made in the securing of steam supplies for some consumers in Tirana and Korce. This is not the result of the lack of productive capacities

of thermoelectric power plants in these districts. The shortcomings are traceable to the inadequate concern shown by the managements of these enterprises for the supply and scientific treating of the fuel material. This is what happens. Complaints are made that they are supplied with coal "of poor quality." The truth is that, according to plan, the caloric power of the coal supplied to the Tirana thermoelectric power plant has been 120 caloric tons greater than the planned power; for the Maliq plant (Korce)--300. Therefore, faults are sought at the wrong place. The bad thing about this is that coals continue to be treated and used incorrectly by these enterprises. Speedier measures of improvement must be sought.

Last year, in the Fier and Korce plants, the consumers of steam returned 44 thousand tons of condensate instead of 76 thousand tons, whereas in the plant of Tirana, only 26 percent of the planned quantity was returned. Here is one of the causes of the exceeding of the established norms for the consumption of fuel material per each ton of steam produced. The condensate is not the same if you bring the cold water and the warm water to a boiling point together.

The steam for internal consumption, and the plants own needs is approaching the one-million ton mark. This consumption affects the production costs of the plants and of the power system. The reduction of this type of consumption and of the losses of power in the transmission lines, remains the most important measure for the reduction of costs.

The maintenance and the increase of the durability of every aggregate and of the lines of the power system require fuller measures for the elimination of defects and shortcomings, and a more thorough scientific planning work. The studies carried out for calculating programs of short, three-phase connections, the increase of the production of hydroelectric power and the reduction of thermoelectric power stations during periods of abundant water, the technological treatment of lake waters, those at the optimal level of tensions in the connecting points of the system and the compensation of reactive power, reduction of power losses, and new improvements in the configuration of the system, would be of interest to the economy. To realize them, the work of the workers of the power system, and especially of the specialists, is required. The failure to meet deadlines for the repairs of aggregates, lines and so forth, which have been observed in the electric power enterprises of Tirana and Fier, are harmful, therefore they should not be permitted. Otherwise, electric power and steam deliveries to the consumers will be executed irregularly, something which will adversely affect their work and production, which has also happened.

A full concept must exist regarding the scientific management of production by some administrators of electric power enterprises. Because of carelessness and routine work, it happens that exact readings of the electric power which is supplied to the consumers are not regularly recorded. There are even zones with a large consumption where readings are not made at all or erroneous calculations of the electric power are made. Such shortcomings must be avoided in zones where the electric power enterprises of Cerrik, Ballsh, Korce and Bistrica operate. This problem must be quickly solved. Otherwise, losses will be concealed and considered as electric power production consumption.

The new five-year plan lays down important tasks in the field of electric power. They will be realized, among others, also through a more resolute work for the elimination of the shortcomings which were mentioned. Production by hydroelectric power plants will be almost double that of the Sixth Five-Year plan. The norms for the consumption of fuel materials will be reduced by 7-10 percent, and so forth. The realization of these objectives with existing productive capacities requires a further increase in concern for maintaining the readiness of the resources as well as of the transmission power lines, so that the supplying of the consumer enterprises with electric power will not only take place on the basis of higher qualitative indicators, but, also so that the directorates of the electric power enterprises and of the directorate of the utilization of the electric power system will increase their control over production as well as over the use of thermo-electric power, and so forth. The studies carried out in these fields for the automation of control, for the establishment of the localizers of possible defects and other tasks which have been laid down by decisions regarding electric power, require a comprehensive work. The economy greatly benefits from the speedy application of studies.

5112
CSO: 2100/51

NEED FOR RECYCLING OF SPARE PARTS STRESSED

Tirana ZERI POPULLIT in Albanian 14 Feb 81 p 3

[Article by Llambi Gegprifti, candidate member of the Politburo of the AWP: "Let Us Further Advance the Recycling of Spare Parts"]

[Text] Comrade Enver Hoxha stressed at the Eighth Plenum of the party Central Committee that presently our country is entering more broadly a new phase of the machine industry, of the machinebuilding industry, and that during the Seventh Five-Year Plan, the production of machines and equipment will have more importance than during any other five-year plan. The profound ideological and economic understanding and subsequent implementation of this great task is closely connected with solving a series of problems which lead to the increase of the nomenclature and of the quantity of the recycling of spare parts, because, as is known, this greatly reduces the demands for new parts, raw materials, and in particular releases considerable production capacities which today are used to produce new parts.

The achievements of many enterprises, such as the vehicle repair-shop in Tirana, the repair-shops of some military units, the nitrogen fertilizer plant in Fier and the petroleum machinery plant in Stalin City, the Machine Tractor Stations in Fier, Shkoder, Berat, Fushe-Kruje and Vlore, the depot parks in Tirana, Shkoder, Vlore, the enterprise for the utilization of building machinery in Durres, and so forth, are evidence of the capacities and great reserves to increase the quantity and the nomenclature of spare parts, are evidence of the evaluation of the problem politically and economically by our specialists, workers and cadres.

But, parallel to these and other splendid examples, one can see harmful phenomena and attitudes. Thus, there continues to exist an incorrect relationship between the production of spare parts and their recycling, and in many sectors this relationship is 4:1, when all the possibilities exist for this relationship to be at least 1:1, not to say even more, in favor of recycling. In many cases, instead of trying to correct this relationship, one is faced with an inclination toward inflated demands for new parts. From time to time, practices of this kind start on a ministerial level and go down to the plant, enterprise and shop level, otherwise it would not happen that for a whole year the ministry of construction would plan 16 percent less spare parts for recycling in comparison to the plan fulfillment of the preceding year. This is an incorrect attitude from the start of planning; it is a narrow minded understanding of an important economic and political task. It is not at all normal that the overall demands of our country for new spare parts have been rising steadily, and that this practice continues.

It is true that the production of machines and of equipment in our economy is experiencing a continuous growth. But, at the same time, we must take well into consideration that great reserves exist for prolonging the life of every spare part, by further increasing, on the one hand, the care and the technical-scientific discipline for the maintenance and utilization of technology in use, and on the other hand, the nomenclature and the quantity of recycled parts. These two paths constitute two powerful resources which must put an end once and for all to the practice of planning more and more new spare parts.

The further improvement of scientific organization and management at the ministerial, district and unit level is of special importance in recycling spare parts. This improvement must aim, in the first place, at the further expansion and deepening of the great experience gained by the many working collectives of our country, which, as a result of the struggle and efforts made, have succeeded in replacing many new, important and costly parts, such as parts of the fuel pump, crankshafts, piston rings, electrical and weighing equipments, tires, springs, and so forth, with recycled parts.

At the same time, the improvement of the scientific organization and management of the recycling problem is closely connected with the further deepening of concentration, cooperation and specialization on the basis of a complete scientific study on the national, ministerial and district level. Quite a few successes have been realized in this field, but taking into consideration the possibilities and the great material and mobilizing reserves which currently exist, one must admit that there still remains much to be done. There are many examples which show that the problem of concentration, cooperation and specialization has not been properly dealt with by the ministries. For example, in the communications workshop in Tirana, powerful units with an advanced technology have been set-up for the recycling of shock-absorbers and of parts of fuel pumps, which have considerable capacities and are inexpensive, and nevertheless, new and unnecessary lines are set-up for the recycling of these parts. The criticism made lately about the duplications in recycling of spare parts, is also an indication of the shortcomings in this field.

The task for the production of new parts, not only according to nominal terms, but also in terms of repairs, according to a single system of the measuring scale for our entire country, is another important path to reduce the new parts and to increase the recycling of old parts. The practice of our country and of the world shows that many requests for new parts can be reduced, by recycling and using old parts. Therefore, it is the duty of the ministries and of the State Planning Commission to study as soon as possible this experience which it already exists in our country, and they must take all the necessary organizational measures for the single system of repairs to be fully implemented.

No less important are the study, design, experimentation and production, in a concentrated manner, of the technological equipments and apparatuses, which are required for the implementation of the progressive methods of recycling. This problem is of special importance since it becomes evident that some plants, enterprises and repair shops recycle spare parts by using, in quite a few instances, equipment and machines produced through their own forces, but which do not meet the proper scientific requirements not to mention many cases when this very essential equipment and machines are totally lacking. The result has been that in many instances, the enterprises, unable to obtain this equipment, employ recycling methods which do not ensure the required quality, or even do not tackle this problem properly.

Therefore, the solving of this problem will create possibilities for the enterprises to carry out their tasks successfully in this field. Thus, for example, the concentrated production of the electroimpulse, metalling, and soldering machines of thermal furnaces and of galvanizing equipment, will enable the production of these machines with the necessary quality and at a low cost, and, on the other hand, will satisfy much better than heretofore the needs of the enterprises for this equipment.

The ministries of industry and mines, communications, agriculture, construction, people's defense, and so forth, are fully capable of recycling, starting this year, the concentrated production of equipment and of standard and special recycling machines.

The assimilation and execution of progressive technological methods, as was recommended by the Eighth Plenum of the party Central Committee is of great importance, not only as regards the production of new parts, but also for their recycling. It is true that in the implementation of these methods, important results have been made, but in light of the fact that the technological methods of recycling today experience continuous and quick qualitative changes, we face the permanent task of not only studying and knowing them, but also assimilating and implementing them as soon as possible. In our country there are dozens and hundreds of examples which speak of the fact that in special enterprises and shops, as a result of creative and innovative work, advanced technological ways and methods are successfully applied, which are of great technical-economic profit. But it must be admitted that the propagandizing, generalizing and dissemination of these achievements leaves much to be desired. As the party teaches us, the powerful reliance on progressive experience, in recycling as in every field of our activity, constitutes one of the greatest reserves, which we surely must activate and must fully utilize. For this reason, in the first place, the research ministries and institutions, the factories and the various enterprises must think, organize and apply the most varied types of forms and methods, such as debates, meetings, scientific sessions, scientific publications, the sending of group of specialists to those plants which have shown good results, and so forth.

The organization and the involving of the creative thinking of our workers if another great reserve which we must utilize more effectively. In this direction there are shortcomings, weaknesses, and restraining concepts, which we must fight and take measures so as to better utilize the progressive thinking of our workers.

Let us take an example: the lagging in the production of fuel injection needles to complete tens of thousands of fuel injectors, which as we know, we import today, is evidence of an attitude of underestimation on the part of the responsible organs charged with solving this problem. It is, therefore, essential to organize better than heretofore the struggle against bureaucratic, liberal manifestations of indifference. Every ministry, as an important state organ which it is, must lead, manage and mobilize still better all the creative capacities of the workers. It plays a main role in encouraging, coordinating, advancing and generalizing the progressive experience in all the economic links and units.

The specialists, the cadres and all of our workers, educated and molded by the teachings of the party and of Comrade Enver, will further deepen their research-scientific work and will do their best to successfully fulfill the tasks regarding the recycling of spare parts.

5112
CSO: 2100/50

STUDIES ON PRODUCTION OF NEW PESTICIDES

Tirana ZERI I POPULLIT in Albanian 25 Jan 81 pp 1,3

[Article by Sotiraq Gjordeni: "Eleven New Kinds of Pesticides" passages between slant lines printed in boldface]

[Text] A group of specialists at the station for the protection of crops in Durres successfully completed a study on the production of 11 new kinds of pesticides in the country. It is understood that the study was of a great value. What conclusion can we draw, in brief, from a conversation with some comrades who dealt with this study?

/The content of the study theme./ It is important that it serves, first of all, the present needs of production and its further development. Thus, the increase of production of agricultural crops cannot be understood without the use of new pesticides in accordance with the needs and with good quality. This is the current concrete problem. And, the experiments successfully carried out determined the ways of the production of the new pesticides. Let us enumerate them: PCMB Hexachlorobenzene, simazine, prometrine, atrazine, magnesium, chlorate, 2-4D sprays," endodan and so forth.

/Reliance on the country's raw materials./ The existing domestic resources were purposely specified in the study. This is important, because, the study-theme is revived and is concretized more quickly and the new production is realized more rapidly, is assured and is less expensive than when it is based on imported raw materials. Therefore, the aim is: let us always rely on our own forces and on domestic reserves and resources for the production of new pesticides, the main percentage of the raw materials has been found in the country. For example, five kinds of pesticides rely 100 percent on our raw materials, two kinds of pesticides rely 80 percent on our raw materials and only four kinds of pesticides will be produced with imported raw materials. The Lindane residue will also be used for the production of these four kinds of pesticides. From this, pollution will be averted, utilizing about 1,800 tons of Lindane residue and producing out of this quantity 2,000 tons of hydrochloric acid and 1,100 tons of trichlorobenzene. From trichlorobenzene it is possible now to get two preparations and, in the future, it will be possible to get some other preparations.

/It is important to anticipate, especially, new products in the varied studies./ At the station for agricultural crops, studies have been carried out for the

improvement of the known insecticides which we are using and the results have been valuable. However, along with this, of great value also are those studies, such as the ones about which we have spoken, because, they give to our economy new products which, ultimately, will eliminate imports. Of the new pesticides being tested, PCMB and "istatime" are being used for the first time in our country. Whereas, the production of the other preparations in the country will eliminate their import, as has been tne case until now.

/From the study to the concrete work./ A study made must not be left in a drawer; on the contrary, it must be implemented as soon as possible. In concrete cases it was acted rapidly. "Istatime," for example, was used on an experimental basis on wheat crops in Korce, Sarande and Durres districts and had a very good experience. It brought an increase in the production of wheat of 3-4 quintals per hectare in the areas where it was used. The technological production plans for the new 11 preparations have been completely prepared. The 11 preparations will be produced in eight new departments.

Finally: who are the authors of this valuable study? They are: Andon Papingji, Sotiraq Gjezi, Irena Xharja, Gazmend Tartari and Aristidh Trung. Congratulations to such innovative workers, full of love for science and determined to achieve the objectives which they have assigned to themselves.

9150
CSO: 2100/59

REPORT ON FULFILLMENT OF 1980 ECONOMIC PLAN

Sofia STATISTICHESKI IZVESTIYA in Bulgarian No 4, 1980 pp i-iv

[Excerpt] General Remarks

This publication comes out once a quarter and contains annual, quarterly and monthly statistical data broken down by basic indicators characterizing the socioeconomic development of the Bulgarian People's Republic.

The program of STATISTICHESKI IZVESTIYA [Statistical Bulletin] comprises 12 sections:

I. Basic Data on the Development of the National Economy
II. Population
III. Living Standard of the Population
IV. Labor
V. Capital Investment
VI. Industry
VII. Agriculture
VIII. Transportation
IX. Communications
X. Domestic Trade and Prices
XI. Tourism
XII. Foreign Trade

Data for all sectors are broken down by organizational structure and make-up of enterprises for the period in question.

Indicators expressed in terms of prices are published in prices of the year in question; annual indicators of industrial and agricultural output, of capital investment, goods turnover and prices, goods turnover in foreign trade, and monthly indicators of industrial production are calculated from costs in comparable prices. Annual indicators are calculated assuming a 1970 base, while indicators for a period of less than a year are calculated taking as a base the corresponding period of the preceding year.

Data on household monetary income, expenses and consumption come from representative observation of household budgets.

Data for the current year are preliminary and are subject to amendment in subsequent issues.

Explanation of abbreviations and symbols:

0 Quantity less than half of the particular unit that is used;
- No instance;
· Data lacking;
PAK Industrial-agrarian complex;
APK Agroindustrial complex.

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DEVELOPMENT OF THE NATIONAL ECONOMY IN 1980

In 1980 the labor collectives in the Bulgarian People's Republic greeted the 12th BCP Congress with high results in social production. Stable rates in the development of the economy were achieved.

The steadfast state policy of raising the people's living standard continued. During the year a rise in the average monthly wages of manual and office workers was achieved. Household income in all social groups grew.

Capital Investment

In the past year the sectors of the national economy invested 765.2 million leva or 14.2 percent more than in the previous year.

As hitherto, the bulk of capital investment was utilized by the sectors of physical production, industry alone investing 43.2 percent of all funds.

The volume of investment for the modernization and reconstruction of existing production capacity amounted to 2.3 billion leva or 37.1 percent of the total volume of capital investment.

Capital assets worth 5,342.2 million leva were put into operation during the year, with 42.3 percent thereof for new machinery and equipment.

Industry

The volume of total industrial production of state and cooperative industry grew 3.9 percent last year as compared with 1979, the growth of state industry alone being 4 percent. The highest rates were achieved by the following sectors: chemical and rubber industry 1.3 percent; production of electric power and thermal energy 8.6 percent; leather, fur and shoe industry 7.2 percent; machine-building and metalworking industry 6.3 percent; fuel industry 5.6 percent etc. In territorial cross section, 14 okrugs achieved rates higher than the average for the country, the highest being those in the following okrugs: Shumen 9.7 percent, Sliven 8.7 percent, Razgrad 7.9 percent, Blagoevgrad 6.7 percent, Smolyan 5.4 percent etc.

In 1980 34.8 billion kilowatt-hours of electric energy were produced, or 2.4 billion kilowatt-hours more than in 1979.

Coal production grew. Ferrous metallurgy realized higher results in the production of cast iron, steel and rolled ferrous metals (rolled products).

The machine-building and metalworking industry produced 11.4 percent more electric motors last year than in the previous year, 12.7 percent more power transformers, 16.3 percent more lathes, 13.8 percent more tractors, 1.7 percent more motor trucks, 5.2 percent more electrotelphers and 7.5 percent more television sets.

The production of nitrogen fertilizers increased 8.0 percent and that of caustic soda 50.2 percent.

The enterprises in the paper and pulp industry produced 0.9 percent more paper and 11.5 percent more cartons in 1980 than in 1979.

The production of woolen and silk fabrics increased.

Last year as compared with 1979 the enterprises of the food, wine and tobacco industries increased the production of canned vegetables 7.5 percent, of canned fruits 13.7 percent, and edible vegetable oils 17.4 percent.

The per-capita labor productivity of industrial production personnel in state industrial enterprises, calculated on the basis of total industrial output, increased 2.7 percent over 1979, with the highest productivity achieved in the chemical and rubber industry.

The average monthly wages of manual and office workers in state and cooperative industrial enterprises increased 10.5 percent over 1979.

Agriculture

Favorable results were achieved last year in the development of animal husbandry. The number of head of cattle in agricultural organizations and subdivisions as of 1 January 1981 had increased by 4,400 over 1 January 1980, while the number of poultry increased from 23.7 million as of 1 January 1980 to 24.5 million as of 1 January 1981.

The production of cow's milk and of eggs in agricultural organizations and subdivisions increased significantly, and the average milk yield during the year of cows on fodder was 0.5 percent more than in 1979.

In 1980 5.2 percent more beef , 0.1 percent more meat of small livestock, and 2.1 percent more eggs were purchased from all categories of farms.

Transportation

Certain basic technical and economic indicators of the utilization of transportation facilities improved during the year. The average gross weight of freight trains increased; the utilization of freight car runs improved.

The proportion of electrified lines reached 34.4 percent of present railroad track.

Rail transportation attained its highest labor productivity in the year--22.3 percent as compared with 1979.

Communications

Revenues of 300.8 million leva were realized from communication services, which is 46.4 million leva more than in the previous year.

Not only the total number of manual and office workers, but also the total number of those engaged in operations increased. Labor productivity in the sector increased 16.4 percent over 1979.

Trade

The retail trade network and food service establishments realized a retail goods turnover of 12,077.3 million leva in 1980, achieving an increase of 17.3 percent over the previous year.

The sales of a number of food products such as edible vegetable oils, sugar, sugar products, eggs, canned vegetables, jams, lemons, oranges and olives increased. Of non-food commodities, sales increases were realized in silk fabrics, sewn goods, knitwear, shoes and television sets.

The trend towards an expansion of the Bulgarian People's Republic's foreign trade ties continued this year, too. Foreign trade increased 14.1 percent over 1979.

In 1980 more lathes, electronic calculators, electrotelphers, typewriters, ships and ship's equipment, carbamide etc. were exported. As compared with 1979, there was an increase in the imports of metalcutting machinery, coke, coal, cast iron, iron ore, shoes, watches, refrigerators, lemons, oranges, olives etc.

The results attained prove the correct April policy of the Bulgarian Communist Party on the economic, social and cultural development of the Bulgarian People's Republic.

6474
CSO: 2200/70

THEFTS, MISMANAGEMENT IN CONSTRUCTION PROJECTS OUTLINED

Sofia ANTENI in Bulgarian 18 Mar 81 p 3

[Article by Stoian Drenski, Burgas]

[Text] An account by a field guard was published in issue 9 of ANTENI. It may well have been the first time that such sharp words were said about thefts of agricultural produce.

For long years I have worked in the building industry. There, too, are thefts and vandalism.

Fifteen years ago some students from the Petrochemical Combine in Burgas, who were in a youth brigade, damaged an expensive electrical control panel. The police very quickly found the three students, who were otherwise good students and explained that they had wanted to take out thin wires to make electric guitars...Their parents had to pay 450 leva each in order to avoid a lawsuit. Apparently the young offenders did not have any sense of responsibility for what was theirs and what was not. That is why they "burned the quilt to kill a flea."

I personally know two of the youths. They are now mature men, honest people. I asked one of them what his reaction would be if his son, who is now 8 years old, did the same mischief.

"I don't think he would do it. Since he was a little boy we have inculcated into his mind what he can do and what he cannot do, what is ours and what is not. I took my mistake to heart; I even began to stutter out of embarrassment. I wouldn't want my son to repeat the same mistake." Let us hope that this is true.

Until 15-20 years ago there were guards at the construction sites. They were either people who were transferred to this job for health reasons, or old people, former construction workers. They guarded and sorted out building materials, and pulled out nails. There was more order at the construction projects than now. Later their position was changed to workers and gradually the projects were left without guards and without masters.

It is considered quite normal if the neighbors of a construction project take about ten buckets of sand or hydrated lime. Nobody pays any attention. However, with

cement it is dangerous. Once, at the construction project of a modern hotel, two people loaded a horse cart with marble slates. I frightened them. They unloaded the slates, and when I asked them what they were doing, answered: "We thought they were scraps." And when I asked them why they needed the "scraps" they said: "We are going to make Roman marbled flooring in the bathrooms." A lie and a false naivete.

On the construction site of an apartment building, a short time before completion, 50 kitchen sink faucets, 12 toilet tanks, about 10 cast iron radiators, and about 100 electrical switches and outlets were stolen. I ask myself whether fifty different people had damaged the kitchen faucets, or whether one or two people had stolen them?

We were about to hand over a kindergarten, but all the lights and colored covers, all the sockets from the electrical panel and the kitchen equipment were stolen. The refrigerator motor was missing, the control panel of the boiler was damaged and looted. How can you hand over the project? We drove in the official car to different stores, even in other counties, purchased the parts, restored the machines and the project was finally put into operation, but only after a lot of nervous tension, expense, loss of time, and breaking of working and financial discipline.

What is the foreman of the project to do when 50 faucets are missing? He orders new ones from the storehouse and trembles until the inspection is over. He who is the least to blame has to pay unduly for the second installing of the stolen equipment. Even the most scrupulous and honest foreman in the construction industry is always on the verge of going to jail. Usually the inspecting organs are not very exigent in case of such misses because the foremen are indeed innocent.

Recently, I was walking around an area of summer cottages; and how many people do you think could give a satisfactory answer to the question of how they had provided the building materials?

At all costs, we should put an end to this ownerless attitude in the construction business. The heating worker can protect the house woodwork from being scorched; however, in his work he causes other irreparable damages. And it is done with impunity, because there is a shortage of this kind of workers. The painter carelessly smears the window panes, and the women who clean the panes find it easier to break rather than to clean them. This is why in the construction projects almost twice as much glass is used. Ceramic tiles, electrical, heating and water inscallations are damaged. Nobody is guilty. There is an unexplained practice of breaking the glass scraps, while they could be used by glazier shops for small frames. They could be used for conservatories and greenhouses.

It is a common phenomenon at the construction projects for vandals to destroy the trailers and the shacks of the working crews. From one crew alone an electric drill, a corner emery grinder, a set of welding burners with 100 meters of hoses, an electric welding machine, and other instruments were stolen. Sometimes the offenders are discovered, but I do not know what the sentences are...In the last 10-12 years I have not heard of any public lawsuit for similar thefts in our

company. However, the stolen instruments have to be handed over by the foreman, so either tries to find them in scrap yards in order to account for the missing ones, or takes a letter from the police that the offender is not caught and the instruments are written off as discarded. Of course, there are also unscrupulous workers who, without actually stealing, write off some instruments.

Thefts in construction projects lead to many negative phenomena. If it is possible to write off materials which have been actually stolen, why shouldn't it be possible to write off a couple of faucets or water taps for the summer cottage or the home of a friend...This also causes overcharging for labor.

It can be established that thefts in the construction business are not an innocent phenomenon and cannot by any means be compared to a basket of cherries, two sacks of hay or a crate of cucumbers.

9804
CSO: 2200/66

BRIEFS

NEW FERRY-BOAT--In the next few days will be commissioned a new ferry-boat which will carry railcars across the Danube river between the Bulgarian port of Vidin and the Romanian town of Calafat. The new ferrying equipment was built in the shipyard in Burgas and its carrying capacity is 40 percent higher than the previous one. The new ferry-boat will reduce the waiting time of railcars at the Vidin railway station and thus increase the number of railcars in transit from Central and Western Europe passing through Bulgaria on their way to other Balkan countries. [Sofia RABOTNICHESKO DELO in Bulgarian 18 Apr 81 p 1]

CSO: 2200/80

BRIEFS

SLOVAK FORESTS--Despite increasing production and exports of timber, the total timber reserves in Slovakia have increased from 315 million cubic meters in 1975 to the present 333 million cubic meters, according to V. Margetin, Slovak minister of forestry and water management. There are 1,953,895 hectares of forests in Slovakia, 61,431 more than in 1975. This year an additional 19,000 hectares will be forested. A total of 41,488 people are employed in Slovak forests. [Prague ZEMEDELSKE NOVINY in Slovak 28 Mar 81 p 8 AU]

SLOVAK FOOD PROCUREMENT--A total of 107,000 tons of animals for slaughter were procured in Slovakia in the first quarter of 1981, thus fulfilling the planned target by 102.1 percent. In the same period, the procurement of poultry was fulfilled by 101.7 percent, and the deliveries totaling 293.2 million liters of milk were 5.2 million liters more than envisaged by the plan. As regards eggs, a total of 293,000 were procured, thus fulfilling the plan by 99.9 percent. [Bratislava ROLNICKE NOVINY in Slovak 2 Apr 81 p 2 AU]

MEETING ON ECONOMY--The CSSR Government Committee for Questions of the Planned Management of the National Economy, presided over by its chairman and CSSR Finance Minister Leopold Ler, discussed in Prague on 30 March, among other things, a report on insuring comprehensive economic research in the sphere of developing and further improving the system of planned management of the national economy. [Prague RUDE PRAVO in Czech 30 Mar 81 p 2 AU]

NATURAL GAS--In 1981-85, the transit gas pipeline traversing the CSSR and carrying Soviet natural gas will transport 210-230 billion cubic meters of gas, of which 40 billion will be for the CSSR economy. [Prague PRACE in Czech 31 Mar 81 p 6 AU]

COMMISSION WITH ITALY--A 3-day session of the mixed Czechoslovak-Italian Commission for Scientific-Technical Cooperation has ended in Prague with the signing of a final protocol. The scientific-technical cooperation governmental agreement of 1965 comprises important areas in the power industry, chemistry, health care, electrical engineering, computer technology and environmental protection. [Text] [AU1217?2 Prague RUDE PRAVO in Czech 27 Mar 81 p 2 AU]

COMMISSION WITH MEXICO--A session of the Czechoslovak-Mexican mixed commission devoted to the development of mutual trade and economic cooperation ended in Prague on Friday with the signing of a final document. The document provides

for exporting complete Czechoslovak industrial plants in the areas of the power industry, metallurgy, petrochemistry and machinery, especially machine tools and textile, leatherworking and shoemaking machinery, equipment for the production of cement and other equipment. On the Mexican side it provides for increasing deliveries of chemical products, cotton, coffee, tropical produce and other merchandise. At the close of the session Frantisek Mares, first CSSR deputy minister of foreign trade, received Rogelio Martinez Aguiler, chief of the Mexican delegation. [Text] [AU121732 Prague RUDE PRAVO in Czech 28 Mar 81 p 2 AU]

'INTERELEKTRO' SESSION--The 15th session of INTERELEKTRO, the work group of the International Organization for Economic and Scientific-Technical Cooperation for Electrical Engineering, ended in Vyskov, Moravia on Friday with the signing of a final protocol. It was attended by Bulgaria, the CSSR, Hungary, the GDR, Poland, Romania, the USSR and Yugoslavia. The session dealt in particular with specializing and coordinating mutual deliveries and production facilities in the area of electric instruments, low-voltage switchboards and wiring materials. [Text] [AU121732 Prague RUDE PRAVO in Czech 28 Mar 81 p 2 AU]

CSO: 2400/169

ROLE OF INDUSTRIAL ACTIVITY AT TSZS REEXAMINED

Budapest VALOSAG in Hungarian No 2, 81 pp 20-31

[Article by Gyorgy Enyedi]

[Text] Few aspects of Hungarian industrialization have led to so many debates and conflicting views as the industrial activity of agricultural cooperatives. The mass media have long discussed cooperative industry in an antagonistic or ironic manner. The lay newspaper reader or radio listener could rightly have believed that industrial activities by agricultural productive organizations represent some kind of temporary aberration. It seemed difficult to accept an intermingling of agricultural and industrial activities which in the past were considered quite distinct.

In truth, agriculture and industry have never been completely separated. Before the liberation, there was a great deal of food-processing activity and occasionally other industrial activity on large landholdings and especially on large capitalist farms. A certain amount of self-sufficient industrial activity existed even on peasant farms; in addition, many peasants were seasonally employed in the lumber industry and mining or engaged in artisan-type activities.

Even economists frequently believe that auxiliary activities by cooperative farms are a side effect of the economic management reform introduced in 1968 resulting from speculations that have nothing to do with a socialist economy; one of their damaging effects is to syphon labor away from a much more efficient state industry. A few years ago, managers of industrial enterprises complaining about labor shortages often referred to the "unfair" competition of cooperative farms. The political evaluation of this economic activity was long been uncertain while the upper levels of the economic leadership oscillated between attitudes of toleration and approval.

One of the reasons for conflicting or vacillating views is the scarcity of statistical information on the supplemental activities of large-scale agricultural organizations necessary for an economic evaluation. There are no reliable statistics regarding productivity, unit production costs or production efficiency. The documentation of the present study is also somewhat scanty and even this much was difficult to compile. This can easily lead to unfounded assumptions and hasty conclusions based on particular cases. Enterpreneurial activities outside

farming are difficult to reconcile with the traditional theoretical model of agriculture. In such cases we tend to think of a deviation rather than modifying the theoretical model in the light of generalizations based on experience of real processes.

The top economic leadership has, on several recent occasions, sided with the need to have supplemental activities. The recently completed Fifth Five-Year Plan projected an annual 8 percent increase in supplemental activities by large farms, a much higher rate than either manufacturing or agriculture as a whole. The 15 March 1978 resolution of the MSZMP Central Committee and the resolutions of the 12th MSZMP Congress also took positions supporting further planned expansion. At the same time, the restrictions introduced in the 1970's are still basically in effect but the prospects for expanded supplemental activities are clouded. This paper is an attempt to answer the following questions: what are the characteristics of industrial activities by large farms? What are the necessary conditions for their planned development? Do these activities have a long-range future?

Before turning to the analysis necessary to answer these questions, the following must be said:

a) Supplemental activities are not restricted to the cooperative sector and are not the result of the alleged permissiveness of the economic reform. These activities carry a much larger weight in the operations of state farms than in cooperatives. Their role as a percentage of the production value of large farms increased most dramatically after 1975, i.e., at the time of the recentralization of our economic decisionmaking.

b) Industrial activities represent only one among several types of supplemental activity, and not even the most important one in all cases. In 1978, industrial activities accounted for 22 percent of the total sales receipts of state farms while the next item in importance, trade operations, accounted for 12 percent. In the case of producer cooperatives, the percentages were 15 and 17 percent, respectively.

Table 1

Percentage of activities outside of basic operations within gross agricultural output

Year	Within all of Agriculture	Within State Farms	Within the Collective Farms of Agricultural Cooperatives
1960	3.3	7.9	5.9
1965	6.3	12.7	9.0
1969	11.7	13.5	18.0
1975	16.4	18.1	23.6
1977	25.4	38.6	31.8
1978	26.7	42.6	33.1

Source: "Problems in the Industrialization of Agricultural Regions" by Z. Tatai, TERULETI STATISZTIKA 1980 No 1, p 12

c) About 65,000 people are employed at the industrial sites of large farms, of which approximately 8,000 to 10,000 live around industrial cities. Thus, it cannot be seriously maintained that these few thousand people (many of them seasonal workers) effect the manpower difficulties of a manufacturing sector which employs 2 million workers.

Emergence of Supplemental Activities

Several names and subcategories are in use to describe nonagricultural operations of large farms. None of these is quite precise. It is sometimes referred to as "activities outside of basic activities" which is clumsy in addition to being imprecise, since the financial balance sheets of farms include many industrial, construction, transportation and trade operations within the category of "basic activities." These operations are included in basic activities because they are directly related to the processing and distribution of agricultural products. Other supplemental activities are not related to farming: production of industrial consumer goods, manufacturing of components and parts for large-scale state industry, construction of public buildings, transportation services, etc. These are often called complementary activities.

For the sake of simplicity, in this paper I will use agricultural activities to refer to plant cultivation and animal husbandry while "supplemental activity" will include everything else within the operations of large farms.

In 1979, supplemental activities accounted for 93 billion forints or 42 percent of the net sales receipts of agriculture and forestry. Manpower levels fluctuated between 130,000 and 150,000 due to periodic labor redistribution. In the course of the year, the number of manual workers increased by 9,000 to 10,000 people; two-thirds of them were transferred from farm activities to supplemental operations. Economic activity on such a scale can take place only if it is in the interest of both agriculture and the national economy as a whole. The reasons behind its emergence must be sought, at least in part, outside of large farms. The reasons and interests have undergone change in the short (little more than 10-year history of supplemental activities because in this period there have been substantial changes in the technological and economic structure of our agriculture. Let us consider the main reasons:

1. The new system of economic management [NEM] introduced in 1968 removed a number of earlier administrative prohibitions and limitations while allowing agricultural enterprises to operate more independently. This opportunity, however, did not lead to an explosion of supplemental activities. The rapid expansion of supplemental activities occurred almost one decade later in conjunction with integration processes within agriculture.

2. As elsewhere, one of the characteristics of agricultural modernization is the emergence of integration processes. The most important among these is vertical integration whereby a close relationship is established (often also in organizational terms) between the preparatory processes of agricultural production (agricultural-machine production, chemical manufacturing, agricultural

research and training) and agrarian production in the strict sense and the processing and distribution of agrarian products. This relationship also existed in self-sufficient peasant farms. Traditional capitalism separated these three phases into distinct organizations while today's modern (capitalist or socialist) agriculture establishes a connection between these separate organizations on the macroeconomic level.

In developed capitalist countries, this integration process is generally controlled from outside of agriculture, mostly by large food industry trusts or food-marketing chains. This means that agriculture and villages are becoming increasingly dependent and play a subservient role. Among the many factors responsible for this situation, one of the most important is the relative weakness of capitalist agricultural enterprises when compared to big industrial and commercial organizations. (The size of the average farm is 120 hectares in the United States and 30 hectares in France.)

Large socialist farms are able to incorporate a portion of this vertical structure into their own operations. This is usually part of food production (base-material processing). Therefore, the specialized literature in Eastern Europe uses "agroindustrial integration" to describe this vertical integration process. In our country, the operations of large farms may also include direct sales to retailers and to hotel and restaurant industries.

One might add that this tendency of agriculture to attract vertical operations is not restricted to just the developed socialist countries. It is also found in the large capitalist farms of developing countries, within the framework of plantation farming and also in large collective farms oriented toward cottage industries such as Chinese communes.

There are many reasons behind this characteristic integration process. The large size of farms is a factor, since large farms produce sufficient quantities of products to justify local processing. The strong concentration of the industrial or service aspect of integration within state organizations with little interest in becoming a part of agricultural modernization is also a factor. The East European model of vertical integration establishes a necessary relationship between large farms and certain nonagricultural activities.

A similar result arises from horizontal integration which creates a relationship between various food-producing enterprises involved in making a certain product. The best known forms are production systems. The outstanding state farms and cooperatives that formulate, direct and expand these must also fulfill research and organizational tasks.

Thus, the emergence of supplemental activities was a necessary consequence of the modernization process of Hungarian agriculture. The role of economic reform was merely to eliminate a number of earlier obstacles in the way of this natural process which would have resulted in a slowdown of our agrarian development.

3. Large farms are not just productive enterprises, they are also social organizations. Cooperative farms especially tend to set themselves social goals, such as full employment for their membership, education of members' children,

development of public culture, etc. Such social goals are formulated in conjunction with local objectives, but they are not unrelated to their economic position; they may also require expansion of supplemental activities.

4. From its social function one of the important incentives are derived for starting supplemental activities. This was to guarantee employment, especially in the beginning phases of cooperatives. Fifteen years ago cooperative farms had an abundance of labor; most members were founding members who joined the cooperative with their land and wanted to find employment there. One of the important considerations in the planning of cooperatives was to guarantee employment with a monthly income, if possible. Both objectives were facilitated by an expansion of supplemental activities.

The labor surplus of cooperatives has been practically eliminated. One-half of all members are of retirement age. Agricultural acreage per active working member is larger than in West European countries with the most advanced agricultural sectors. Yet, the seasonal character of agricultural work continues to lead to labor shortages in the busiest work season, with a corresponding labor surplus in winter. Modern technological progress does not eliminate this seasonal aspect and, in some cases (plant cultivation) it becomes even more pronounced. This is because large modern farms are more specialized and raise fewer crops than peasant farms or large farms 20 years ago. This means that it is more difficult to prolong the season. In addition, comprehensive mechanization has shortened the duration of cultivation-related work.

Supplemental activities by cooperative farms provide an opportunity to employ the seasonal labor surplus. This kind of seasonal industrial or service employment occurs frequently in countries with advanced agriculture where the owners of smaller farms or those with a simple product structure willingly take industrial jobs for a few months. Such jobs are either seasonal to begin with (lumber production and processing) or are provided by owners of small town factories set up for fluctuating employment levels. For the owners of capitalist enterprises, the advantage of such a dual work force is their willingness to accept lower wages (since they are merely looking for supplementary income); a lower social security contribution; they will not join the union, they will not strike and they will not present high demands for social amenities, etc.

Seasonal employment in Hungarian cooperative farms increases both individual and collective income. A big advantage is that nonfarm activity takes place within the enterprise structure of agriculture. Thus, manpower redistribution can take place without conflict, through reconciliation of the interests of the two productive spheres.

5. Development of nonagricultural activity was also encouraged by increased enterprise profits. Direct sales channel some of the profits of the wholesale sector to the large farm while self-sufficiency in construction saves some of the costs to be paid to outside construction enterprises, etc. There is a substantial amount of industrial activity by large farms that is unrelated to the agroindustrial complex. This is possible because of the frequent problems in the supply of industrial consumer goods and shipments of finished products by large enterprises due to the often-discussed excessive concentration of our industry, the almost total elimination of small- and medium-scale enterprises

and the lack of an industrial infrastructure. It is not our task to analyze the reasons for this enormous concentration of the enterprise structure and the emergence of monopoly situations in entire industrial sectors, arising against the objectives of the new system of economic management. In any case, this situation created a great deal of demand for simple, low-volume products, parts and components and some of this demand has been satisfied by the industrial plants of cooperative farms. The paradox is that the interests of large enterprises were often mentioned whenever limitations were placed on industrial activities by cooperative farms (namely, that industrial activity by cooperatives syphons off labor) while at the same time large enterprises also had an enormous need for the products of cooperative industry. The establishment of small- and medium-size enterprises and the development of industrial infrastructure are emerging as definite objectives. Government authorities are counting on the contribution of cooperative industry in this area. Today's multisector cooperatives may, in fact, be regarded as a combination of large agricultural enterprises and small industrial or trade ventures.

Industrial cooperation is far from dominant in the industrial activities of large farms. Eighty percent of the net sales receipts from supplemental activities in 1979 came from food processing, lumber, construction, trade and services closely related to basic activities as well as the marketing of the products of household and auxiliary plots.

Another paradox, resulting from the system of agricultural prices and levies, is that industrial work carried out mostly under primitive conditions, using obsolete technology and low work productivity compared to large-scale industry, turned out to be more profitable than agricultural work using technology that may be considered advanced on a world scale. Today this is the chief incentive for supplemental activities. The accumulation of industrial and other supplemental activities was largely aimed at further development of agriculture. Studies analyzing the regional development of our agriculture provided clear proof of the connection between the intensity and economic quality of farming, on the one hand, and supplemental activity, on the other.

Supplemental activities contributed to the economic differentiation of cooperative farms, even though official expectations pointed in the opposite direction. This was based on the assumption that economically weak large farms (called, with insufficient precision, "naturally disadvantaged") will be able to develop supplemental activities to complement their income. Below we will show that this has happened only partially.

6. Another factor in the development of operations outside of basic activities was necessity and self-protection. Thus, such operations were sometimes started even when there were no direct economic reasons. Protection was necessary because of the monopoly position of state-controlled purchasing, marketing and service organizations. In some cases such organizations employed administrative tactics when dealing with farms, while their breaches of contract mostly remained without any legal consequences. The organization of direct product marketing, in-house fodder mixing or wine bottling was often an act of self-defense.

By necessity, we mean that frequently no state enterprise was willing to undertake to provide services necessary for the continuation of modern operations. For

example, the state construction industry operates only in cities, motor vehicle service establishments are unable to service the machinery of large farms, etc. Some activities developed out of necessity may be carried out economically within a single large farm or an association of several large farms (e.g., machine repair, construction activity, agricultural roadbuilding, etc); i.e., the term "out of necessity" is not used in a pejorative sense. Nevertheless, the lack of spare parts often forces farms to manufacture spare parts in-house when such parts should be made and delivered by large enterprises manufacturing agricultural machinery. Since much of the agricultural machinery in use has been imported from a variety of countries, the do-it-yourself production of missing spare parts is hardly economical and is obviously done out of necessity. Due to the lack of industrial infrastructure, big industry is itself in need of such do-it-yourself methods.

Importance and Forms of Supplemental Activity

The importance of supplemental activities may be evaluated from two separate viewpoints: their importance within agricultural enterprises and their importance within particular sectors of the national economy. The data of Table 1 shows the large and increasing role such activities play in the operations of large farms. The national economic importance of direct product marketing, industrial production and services is in general not too large; these activities present no competition to state-owned industry or trade. The local or regional importance of such activities is much greater (construction work and services in villages).

There are some industrial-product areas where large farms play an important role on the national scale. All of these are food products. Large farms produce about one-half of all smoked meat products, white and blood sausages, bottled wine, brandy and egg noodles; 30 to 35 percent of processed eggs, dried vegetables and bacon; one-fifth of all dry sausages and fruit juices. One might add that it is difficult to establish the structural distribution of supplemental activities on the basis of statistical sources. According to data from MEM STAGEK [Ministry of Agriculture and Food Industry Statistical and Economic Analysis Center] the sales receipts of large farms in 1975 and 1978 were distributed as follows:

Table 2

Distribution of sales receipts of large farms among various forms of activity in 1975 and 1978 (percent)

	Cooperative Farms		State Farms	
	1975	1978	1975	1978
Farm activities	64.3	59.0	62.5	60.9
Food industry activities	4.5	5.7	14.3	18.7
Lumber industry activities	2.5	1.2	0.3	0.6
Other industrial and mining activities	4.2	5.9	2.6	2.3
Industrial services	2.4	2.2	0.3	0.4
Total industrial activity (2+3+4+5)	13.6	15.0	17.5	22.0
Construction activity	6.3	6.3	3.7	3.9

Trade activity	13.0	17.2	15.1	12.0
Transportation activity	2.4	2.1	0.4	0.6
Other activity	0.4	0.4	0.8	0.6
All activities outside of basic activities (6+7+8+9+10)	35.7	41.0	37.5	39.1
Grand total (1+11)	100.0	100.0	100.0	100.0

Source: "Trends in Activities Outside of Basic Activities in Large-Scale Agricultural Enterprises," MEM STAGEK, Budapest 1979

The differences between the supplemental activities of cooperatives and state farms are largely a result of the closer relationship between the former and village communities; as a result, they provide a greater number of services for the village population. They have a greater need for their own construction department in carrying out their investment projects. In 1978, cooperative farms earned about 57 billion forints in the form of sales receipts from supplemental activities while state farms earned 18 billion forints. Since 1975, such sales receipts increased 64 percent and 39 percent respectively, while basic farm activity grew 30 percent in both types of farms. Forty percent of the sales receipts of large farms came from supplemental activities employing 12 to 13 percent of their work force and 8 to 9 percent of the gross value of fixed assets. Work productivity was 4 times that of farm activity while asset utilization was 6.5 times higher.

Industrial Sites of Large Farms

The industrial activity of large farms is being carried out in plants of widely differing size and equipment. This is in part due to the type of activity and the role of industrial activity within the farm under consideration. Industrial plants are mostly small, more like shops, although there are a few modern medium-scale plants in operation. There are several industrial sites on many farms, since in 1975 there were 7,300 industrial sites on 2,500 large farms employing approximately 65,000 people. Thus, the average number of employees at a single site was less than 10. The present situation cannot be measured precisely. The number of plant sites has been reduced by the consolidation of cooperative farms and increased as a result of expanded industrial activity. In 1979, there were 2,300 food industry installations, 1,000 in the lumber industry, 1,000 involved in construction and 2,500 involved in other industries and industrial services.

The small size of installations is not in itself a drawback; that depends on the type of activity and the kind of equipment they have. It is clear that vegetable-drying or a bakery will hardly require concentrated manpower. On the other hand, a foundry with a handful of employees is unlikely to be very efficient. In judging efficiency, productivity and other economic factors we must rely on common sense since there is a complete lack of data in this area. Since the purchase of up-to-date production equipment by large farms is the exception rather than the rule, most often the equipment is scrapped machinery operated in temporary buildings. This must clearly be an obstacle to adequate utilization of labor. Large farms find the operation of obsolete industrial plants profitable because they work with a very small nonproductive staff and they are capable of flexibly adapting to demand.

Operations fundamentally tied to large-scale technologies, such as machine industry, metallurgy, etc., will not long survive within the industry of large farms. The existence of small units is justified in the production of certain consumer goods and in the repair and service sector. Their technical modernization would be desirable (this is quite consistent with a small labor force). In the food industry and the branches producing local raw materials it is desirable to have large, modern plants. Cooperation and joint ventures by several large farms make it possible to establish large industrial installations. Milk-processing plants with a daily volume of 10,000 to 60,000 liters or wineries capable of handling a 25,000 to 30,000 quintal harvest would be considered medium-size enterprises in state industry.

According to a KSH [Central Statistical Office] booklet published in 1976 ("Development of Industrial Activities in Other Sectors of the National Economy during the Fourth Five-Year Plan, KSH, 1976") the branch distribution of industrial plants of agricultural enterprises was as follows:

Table 3

Number of Agricultural Enterprise Units Engaged in Industral Activities (1975)

	State Farm	Cooperative Farms	Total
Food industry plants	266	2,392	2,658
of which:			
milk processing	19	254	273
meat processing	91	180	271
poultry processing	2	12	14
winery	75	347	423
distillery	17	248	265
fruit juice processing	4	7	11
pickling plants	5	69	74
bakeries	2	58	60
spaghetti plants	1	23	24
Lumber processing plants	64	913	977
Production of local materials	30	818	848
Other industrial production	41	668	709

In 1975, the number of industrial workers employed in large farms was 64,564 (less than 30 percent worked in state farms). The work force of cooperative farms rose 6 percent since 1971 while the work force of state farms has declined.

Importance of Industrial Activity Within Large Farms

The above labor force statistics indicate that the industrial activity of large farms is insignificant within the nation's industry while it is quite important within the employment structure of large farms. Although agricultural and forestry enterprises employ approximately 800,000 people, the number of regular, active workers is much smaller (slightly more than one-half). This is the result of a peculiar situation whereby a member of the cooperative is also one

of the owners, i.e., he or she remains a member (and wage earner) of the cooperative even after retirement. More than half of the total membership of cooperatives consists of pensioners and other recipients of allowances. At the same time, industrial retirees are no longer counted among industrial wage earners.

For the sake of completeness, we will mention the fact that more people are involved in industrial or transportation operations within the farm's basic agricultural activities than in industrial activities outside of the basic activity (maintenance men, truck drivers, silo operators, etc). All in all, approximately 30 percent of the active members of cooperative farms regularly taking part in collective work are engaged in industrial or transportation work.

Geographical distribution of Industrial Activity

The industrial activity of large farms was relatively concentrated with regard to geographic distribution in 1975. This trend has become stronger since 1972. Fifty percent of the total nationwide sales receipts collected from the industrial activities of large farms went to three megyes (Pest, including Budapest), Fimatom and Bacs-Kiskun). Outside of the three megyes listed, the only megye with significant industrial sales receipts was Somogy. In Vas, Zala and Nograd megyes the industrial sales receipts of large farms were completely negligible, while in the region east of the Tisza they were well below average. The geographical distribution of industrial installations is quite similar. The number of installations declined 10 percent between 1972 and 1975 due to the consolidation of large farms. This, however, did not lead to any significant concentration of plant sites. One characteristic of geographical distribution is that, in spite of the largely food industry orientation of industrial activities, such activities are not concentrated near the chief agricultural crop-producing regions; neither are they concentrated in areas with the greatest labor surpluses and only partially correlated to "naturally disadvantaged" regions. For example, it is remarkable that the industrial activities of large farms remained insignificant in Szabolcs-Szatmar and Hajdu-Bihar megyes in spite of their sizeable labor surplus in 1975.

We have to rely on hypotheses to explain this geographical distribution. It is true that the agriculture of the regions where concentration is the greatest is quite intensive and is developing rapidly on a capital-intensive basis in spite of generally average natural conditions. Clearly, this was in part a precondition for the establishment of industrial plants and in part the result of industrial profits. It is also true that the region of concentration is not a farming region or only partially oriented toward agriculture. It is a highly urbanized region with an advanced infrastructure, a high degree of industrialization and a substantial consumer market. These factors may have contributed to the emergence of industrial activities. The proximity of industrial centers was advantageous both in terms of cooperation with state-controlled industry and food processing and with direct marketing. The infrastructural requirements of industrial plants (water, energy delivery, roads) were easier to satisfy near cities than in backward rural districts. This is difficult to substantiate on a statistical basis but geographical coincidences support the correctness of our assumptions.

There are some variations in the geographical distribution of various types of industrial activities. For example, plants producing building materials are widely scattered. Since lumber processing is tied to forests, in this sector most plants are located in Veszprem Megye, followed by Vas, Zala, Somogy and Borsod-Abauj-Zemplen megyes.

Food industry plants are also relatively scattered. The "industrial concentration" mentioned above includes only 18 percent of all food industry plants: food processing is important only in Bacs-Kiskun Megye. The three megyes include 57 percent of all chemical industry plants and 67 percent of all machine industry plants. This is the explanation behind their outstanding industrial sales receipts.

The geographical distribution of industrial plant sites and sales receipts is far from the same. The size of industrial plants varies and there are large differences in the gross unit sales receipts and profitability of industrial sectors. The differences in plant size are illustrated by the fact that cooperative farms employ an average of 3.5 people in food-processing plants, 4 in building material production, and 5 to 6 people in lumber-processing shops. Machine-industry and chemical plants employ an average of 20 people.

Concentration also exists with regard to the economic performance of plants. Annual sales receipts per plant increased from 1.4 million forints in 1972 to 3.2 million forints in 1975 (in both the chemical and machine-industry branches it was 6.3 million forints). Sales receipts per industrial plant were four times higher in state farms than in cooperative farms. In the region of "industrial concentration," the sales receipts per plant are twice the national average (about 7 million forints). Thus, the outstanding role of regional concentration is due not to the number of plants located here but to their above-average size and their type of activity.

Compared to the large size of the local consumer market, there are few food-processing plants among the industrial plants of Pest and Komarom megyes. Food processing lowers the profitability level of related agricultural raw material production. In the chain leading from raw materials to the finished product, the cost/yield ratios of the various technological stages, and in particular, their pure income ratios as calculated separately, will not "add up" cumulatively: instead, they merely influence the average profit rate as expressed in the finished product. In case of a vertical expansion of activities, this may be lower than the isolated profitability of raw-material production. It appears, therefore, that large farms lack sufficient incentives to develop their food-processing activities, even though the tax system subsidizes the establishment of vertical structures in the food industry.

Industrial Activity of Cooperative Farms in Bacs-Kiskun Megye: a Case Study

There is such a shortage of statistical data concerning the industrial activity of large farms that every careful, specific study is highly valuable in finding the true characteristics and changing trends of such activities. Below we shall briefly present some of the results of a survey conducted in Bacs-Kiskun Megye. The analytic study we are relying on has been prepared by Rezso Meszaros. The

results of such a megyewide survey probably cannot be applied to the whole nation; at the same time, they cannot be regarded as a mere curiosity since the megye belongs to the region where cooperative farm industry is most concentrated while at the same time conditions are not as unique as those of Budapest cooperative farms.

In 1976, there were 103 industrial plants in the megye operated by cooperative farms and 57 percent of these were established between 1970 and 1976. Quantitative growth slowed substantially after 1973. The 103 plant sites are located in 48 communities, with 26 communities having only one plant site. In line with the past character of these communities as farming centers, these towns still have a substantial agricultural sector, including cooperative farms. In the year of the study, Kecskemet had 11 plants operated by cooperative farms with a combined work force of more than 1,000. One plant employed more than 300 people and the production value of its output was almost 50 million forints.

Forty percent of the plants are in the food-processing sector: this is the largest group; 37 percent are in the category of "other industry" (in general they produce small consumer goods and components); 15 percent are in the machine industry sector. The value of their equipment is quite low, constituting a mere 3 percent of the gross value of all machinery in the megye. At the same time, cooperative farms produce 6.3 percent of the value of industrial output. The minimum value of machinery and equipment in a not-so-small cardboard-box plant employing 20 people is only 25,000 forints. In one-fifth of the plants, the gross value of machinery (i.e., their value before depreciation!) is less than the price of a medium-size automobile... Thus, most of these plants are, in truth, no more than artisan shops.

The distribution of plant sites shows a concentration in the northern part of the megye where natural conditions for farming are the least favorable. The author of the study assumed that cooperative farms operating under less favorable conditions were most eager to expand their income by developing their industrial activities. In our opinion, however, this is more likely to be a random coincidence. These regions with their low-quality soil are closer to Budapest and Kecskemet and, in general, to the concentrated cooperative farm industry of the Central Industrial Region. In our view, this attractive force of the city is of primary importance because "disadvantaged" cooperative farms located farther from industrial and urban centers engage in remarkably little industrial activity.

This megye was characterized by a labor surplus for a long time. Therefore, employment has probably played a substantial role in the development of cooperative farm industry. Some 10.3 percent of the industrial work force of the megye is employed in the cooperative farm industry. This seems to indicate a rather low level of work productivity in view of the value of machinery and output.

More than 40 percent of the work force are cooperative members while 60 percent are cooperative farm employees. The high proportion of cooperative members is also an indication of a certain amount of labor surplus in agriculture. A substantial portion of the labor force consists of women, although their percentage is lower than in the national economy as a whole. Thus, cooperative

industry is not typically built on the employment of housewives. It is interesting to note that almost one-quarter of the labor force of cooperative farm industry commutes to work; in fact, the percentage is higher than in large-scale state-owned industry. This means, on the one hand, that cooperative farm industry does not rely only on the labor force within the farms (cooperative farms encompassing several villages are rare within the megye); on the other, it shows the existence of centers of attraction even among village communities.

Future of Industrial Activity of Large Farms

It is difficult to sketch the desired future of the industrial activities and general nonfarm activities of large farms. The official view of such a future varies constantly. Encouragement and prohibition are often in conflict; in addition, both are reactions to current needs and assumptions without any long-range view.

The Fifth Five-Year Plan projected an annual 8 percent growth of nonbasic activities of large farms, an exceedingly dynamic rate of growth. In our opinion, the reason behind this is not job creation or raising the income of cooperative farm members but the increasingly grave consequences of the lack of small state enterprises. These consequences for big industry are well-known: the lack of a base industry either causes a shortage of parts and components or forces big enterprises to manufacture them in-house, which is an obstacle to selective development. It appears that the efforts to change this situation are becoming more resolute. This, however, does not promise to be easy: big enterprises will not dissolve themselves. There is no organization that would establish small enterprises. A few years ago there was even a "successful" campaign to consolidate the few industrial enterprises operated by local councils. Small enterprises are lacking in the construction and service sectors. Cooperative farms were almost the only kind of enterprise left after the recentralization of our economy in the second half of the 1970's that was capable of, and interested in, ventures and flexible adaptation to market demand.

In the long run, it is hoped that this situation will change and small state enterprises will come into being. In my opinion, part of the supplier industry directly related to large-scale industrial production could justifiably be removed from the industrial sector of large farms. Nevertheless, the supplemental activity of large farms will continue in the long run and it should be developed and better organized. This assumption is based on the following:

a) The basic activity of large farms requires a great deal of industrial services. The range of such activities is likely to expand in line with technological development. There are good opportunities for industrial service units to perform work for other enterprises or the general population (for example, the machine repair shop may also operate as an automobile service establishment).

b) Certain products and consumer goods cannot be manufactured effectively within the framework of big state enterprises, either because of the small production runs or widely scattered local consumption patterns. State enterprises require such a large administrative decisionmaking apparatus that small enterprises with 10 or 15 people cannot be established.

c) The state construction industry cannot be relied upon to construct farm buildings or public building in villages. This is not just a matter of construction capacity: the big construction industry organizations are unable to efficiently build a shed or a bus stop shelter.

d) Although there is no longer a labor surplus on large farms, nonbasic activities should be preserved in the interest of seasonal employment.

e) There are many reasons why food-processing activities should be expanded. First of all, local processing of raw materials reduces transportation costs and spoilage. In some product areas, there is a demand for special nonmass-quality products. Finally, a certain amount of competition with the state food industry sector is considered healthy.

f) Large farms may play a greater role in assuring the food supplies of the village population. In general, farms carry out very substantial commercial activity. Their turnover increased 89 percent between 1975 and 1979. Their small village shops are usually losing money and are operated only for the benefit of their membership.

g) Supplemental activities may play an important role in compensating for the lower agricultural income of farms operating under unfavorable natural conditions. Cooperative farms in this category receive support for the establishment of industrial operations. On the otherhand, weak cooperative farms lack the capital and expertise necessary for the establishment of industrial plants. Most such farms are located far from cities in areas with a backward settlement structure. Some documents assert that industrial activity developed more rapidly in naturally disadvantaged cooperative farms than elsewhere. However, this above-average development is due to the farms of Pest and Komarom megyes where "unfavorable natural conditions" played no role.

Thus, there is a great need for activities outside of basic agricultural operations and this function must be performed by some kind of economic organization. In principle, this does not necessarily mean a large farm: the function may be performed by local council, industrial or general cooperative enterprises. Yet organizing this production within the framework of large farms has a number of advantages (flexibility in manpower redistribution, in-house product processing, low administrative overhead, etc). In our view, large farms may develop into the productive structure of villages capable of satisfying the requirements of agricultural production, certain areas of village services (construction, transportation, machine repair, etc) while also producing low-volume specialized goods for the use of big state industry. This requires adequate integration of supplemental activities within the structure of large farms and further development of associations among enterprises in the interest of better labor utilization. Technical development requires not only money (development of small enterprises is relatively inexpensive) but also stability and long-range prospects for supplemental activities.

Due in part to the lack of such prospects, the leadership of large farms pays little attention to the technological modernization of their industrial plants. They cannot easily do so: the technical development fund they have generated

(237 million forints in 1979) has been centralized in its entirety. Their wide-ranging relations with big state industry are largely a result of improvisation for the short term. There is a lack of reassuring prospects and the expansion of such contacts is slowed by distorted judgments, obsolete regulations and objective economic difficulties.

The industrial activity of large farms must be fully integrated within the development policies for the industrial and service sectors. We must accept the fact that such industrial activity is indispensable for industry while also advantageous for agriculture. Therefore, its development must be integrated in a conceptual framework and its technological development must be assured (e.g., production taxes should not be charged at the full rate).

The system of permits for establishing supplemental activities is very complicated. Some legal provisions limiting such activities are still in effect. Among these is the excess tax to be paid in Budapest, the surrounding urban region, in cities with megye status and in cases where industrial activities exceed a certain percentage. There are heavy taxes levied on excess wages, limiting the employment of highly qualified labor, etc.

The well-known general difficulties of our economic situation also have an impact on the industrial activities of large farms. Without professionals, they find it more difficult to handle the more complicated price-calculation methods introduced on 1 January 1980. Profit conditions have also become more difficult. Big industry is less ready to cooperate because industrial enterprises became uncertain and excessively cautious.

The industrial activity of large farms is an integral part of Hungarian industry and agriculture. It does not fit into traditional categories; as a result, its progress has often been accompanied with suspicion and uncertainly. This activity is useful in the long run; thus, it must be accepted and, accordingly, we must formulate its long-range development guidelines.

9164
CSO: 2500/177

MAV'S 1981 PLAN DESCRIBED BY DIRECTOR GENERAL

Budapest MAGYAR HIRLAP in Hungarian 3 Apr 81 p 5

[Article by Zoltan Szucs, MAV (Hungarian State Railroads) director general: "Railroad's Plans for This Year"]

[Text] Faster, More on Schedule, More Economically

This year we will spend a large part of MAV's resources on improving the conditions of passenger transportation, because we are expecting 5 million more passengers than last year, starting out from the facts that due to the effect of increased fuel costs more and more people who until now have been using automobiles will be traveling by railroad on the basis of cost savings, and of considerations of expected travel comfort and time spent traveling.

Looking at this from the cost viewpoint, the undisputable advantage of rail travel has become quite unanimous in recent months. Evaluation of the comfort in traveling and the time spent for it in some cases still do not produce positive results for the railraods, but this is the very area where we wish to give more to our traveling public this year also: cleanliness, organization, courtesy, and service on schedule. And when we rush to the aid of travelers with this latter to help them make a choice, naturally we do not forget that the majority of the traveling public does not have a choice between the automobile and the train, and therefore has an increased need for us to improve the quality of our services.

To use the language of the plan: we will improve the express- and speed [nonstop] train network in accordance with the expected demand. The new schedule going into effect on 31 May will contain trains which will create direct connections between additional megyes far away from each other. Such are: the speed trains from Miskolc through Budapest and Gyor to Szombathely and to Sopron, and the speed trains running on weekends from Szeged to Eger and to Fonyod, and from Nyiregyhaza to Fonyod [resort on Lake Balaton], bypassing the overcrowded stations in the capital city. The increasing number of Bz designated short trains--nicknamed "Little Red Riding Hood" by the public--continue to serve well the modern standards of passenger traffic on the secondary lines. We will increase the frequency of trains in the traffic of the vicinity of provincial cities, and we have designated an increase in travel speeds and improvement of on-schedule service as our goals.

In the interest of the comfort of travelers and to minimize standing in line, we will improve the work of passenger ticket counters by means of organizational measures. We also wish to help the standards of travel by more courteous behavior of conductors.

133 Million Tons

Transporting 133 million tons of freight as planned will mean 3 million tons more than last year in freight transportation. This extra amount is justified also from the national economy's point of view because--considering energy costs--freight transportation by rail is significantly cheaper than transportation on the highways, especially for longer distances. Therefore, it is also the important task of our freight organizers, market researchers, and of our commercial service this year to discover all uneconomical movements of goods in freight transportation which should be transported by rail if the activities of the transport and shipping enterprises were coordinated. They will do this jointly in cooperation with shippers. It can be mentioned as a good example for the success of these kinds of searches and of economical freight transportation that the Szeged DELEP [Southern Hungarian State Construction Industry Enterprise] transports the [prefabricated] building elements needed in Budapest for building residential developments in special railroad cars converted for this purpose. The advantage is a mutual one, because the shipper's transportation costs are significantly lower than in public highway transportation and this capacity of the railroad has been committed for a long time. We can strengthen our competitiveness in more favorable freight costs for transportation over longer distances by more careful commercial work and by improving the quality of our services.

On Weekends Also

We wish to make freight transportation faster, and better organized. Containerized freight transportation is one advantageous method of well-organized and fast freight transportation. The network of this transportation method already covers the entire country, and the railroad--in cooperation with the VOLAN [Motor Transport Enterprise]--enterprises can move containerized goods house to house with the greatest degree of safety, and without touching it by human hands. Other forms of unit load transportation, such as, for example, palletized freight movement, also serve a similar purpose.

We are also working on organizing combined transportation methods where the semitrailers will cover a shorter portion of the trip on public highways under their own power, and the longer section of the trip by train loaded onto railroad cars ["piggyback"].

According to our calculations this freight-hauling system is more economical than transportation entirely on public highways, and therefore we hope it will be favorably received by the public highway freight-hauling enterprises--primarily in international transportation.

In the interest of shortening the time for moving freight, we will modernize the work processes of sorting freight yards and border-crossing stations by organizational measures, and by using technical equipment, two-way radios, and computers. In addition to this, we will also place more emphasis on further improving work discipline. As the result of all these things, the goods will get to the consumer faster by railroad cars. We also wish to promote this by informing the addressee at the destination station in a reliable way and in sufficient time.

We hope that the enterprise sending and receiving the merchandise will both agree with our ideas, and we will create a reasonable and necessary system of conditions for loading on weekends. This is also important because converting to the 5-day

workweek will require further organizing work both in the areas of freight hauling and passenger transportation if the past level of loading and unloading freight during weekends is not to decrease but increase if possible compared to present levels. We are also endeavoring to promote increases in weekend loading by offering contracts to our shippers to organize planned loading on days off. Based on these contracts, the railroad guarantees to provide the shipper with the number of freight cars specified in the agreement for weekend days.

In addition to meeting domestic needs, we are also taking more cars to increase our foreign-currency-earning activity by offering our vehicle park and our services to the international market, especially in the area of transit hauling.

Converting to the 5-day workweek also makes it necessary to modify the schedule of passenger trains. In developing the schedules, the main viewpoint is that the movement of trains conform to the time schedules of people who go to work, and on weekends it would also fulfill the transportation needs--which are expected to increase--related to the use of free time.

Quality Improvements

We plan to modernize 145 kilometers of track during the year. We will begin electrification of the line between Kiskunfelegyhaza and Szeged. We will accelerate the investment rate at the Kelenfold [Budapest] station and at the Zahony [border-crossing] reloading zone. We will begin to make preparations for the reconstruction of the Ferencvaros [Budapest] freight switch yard. On the tracks and at the stations, we will continue to install more modern equipment serving the safety of railroad traffic.

We will buy 21 electric locomotives, 135 passenger cars, 30 dining cars, 500 covered freight cars, and several hundred large and medium-sized containers for a cost of over 1.9 billion forints. This will make it possible to increase electric haulage performances and to improve the quality of the passenger car park.

The way the travel time of passengers and service to shippers develops will to a large extent depend on the work of interconnecting points between the MAV and VOLAN. In this repsect, we will contribute to decreasing travel time and better serving the shipping enterprises by more efficiently coordinating schedules and increasing the number of connecting trips, as well as by jointly improving transfer points.

We will spend 130 million forints together with VOLAN to improve the technological standards of transfer points.

CSO: 2500/207

CHANGES IN HOUSING CONSTRUCTION LOANS EXPLAINED

Budapest NEPSZABADSAG in Hungarian 10 Apr 81 p 5

[Article: "Changes in the OTP's (National Savings Bank) Housing Construction Loans"]

[Text] During the Sixth Five-Year Plan 370,000 to 390,000 housing units will be built in the country. It is expected that 250,000 to 270,000 of these will be homes built by private resources. During the current plan period 160,000 to 175,000 private homes are expected to have their roofs finished through the use of significant amounts of OTP loans. Last year the OTP cooperated in the construction of 89,000 homes; 16,300 of these were investment made by the OTP itself. Under these circumstances the changes in making loans which the OTP introduced recently or will introduce shortly in helping with housing construction deserve extra attention. These modifications provide additional advantages primarily to young people, and to people with large families.

The present three settlement categories for building traditional family homes have been eliminated; instead of this the loan conditions will be more favorable in 420 settlements designated to have roles in growth. This year the upper limit for loans will be 200,000 forints for the selected settlements, and 160,000 forints in other locations. One important thing to know: builders who support three or more children will retain the special 2 percent interest rate and 30-year repayment period. Social policy preferences may also be extended for the construction of modern condominium-type family homes in the same amount and to the same extent as for individual multistory homes.

Employees of state enterprises may receive help of 60,000 to 100,000 forints for building or buying settlement-type multistory homes at the 420 designated locations. Families who are entitled to live in rental apartments but who are willing to take on the larger burden which accompanies the purchase of settlement-type multistory homes, can be given homes by the councils to be built with investments made by the savings bank, and with the same preferential conditions to which the employees of state enterprises are entitled, regardless of the employment of these home buyers. The precondition for this is 20 percent support by their employer.

Another one of the important changes is that the regulation which tied the extension of loans to the number of rooms in the house to be built or bought, and to the number of people who were to live in it, has been lifted. Loans can be given for

all home constructions or purchases which in the case of building a modern, multi-level and condominium-type home ["grouped home"] does not exceed 125 square meters, or 140 square meters in the case of a traditional single-family home.

Repayment benefits are also being expanded. Upon the request of young married couples and of people supporting three or more children, the payments can be reduced during the first 5 years by a maximum of 30 percent for homes sold by the councils and for workmen's homes, by a maximum of 40 percent for multistory homes or homes built in the modern, grouped-type home format, and by a maximum of 30 percent for traditional family home construction. The 20 percent mandatory repayment preference to which everyone is entitled, will continue to remain in effect to be given for homes sold by the councils and for workmen's homes.

The amount of loan which can be given to build rental apartments by adding on stories and by finishing attic space has been increased to 150,000 forints; repayment time has been changed to 25 years, and the interest is 2 percent. The employers may also extend loans for this purpose.

The pricing system of housing units sold by the councils will change as of 1 July. The preferential price list prices will be eliminated, and the sale price of apartments will be determined on the basis of the net cost to the councils. From the above price of the apartment, the state will provide an open subsidy of 60,000 to 100,000 forints based on the number of bedrooms.

This is 80,000 forints for a two-bedroom apartment; and the early repayment allowance is 10 percent of the apartment's reduced price, after the subsidies are deducted from it. Employers may extend loans for the purchase of these homes from their housing construction funds, which will reduce the amount of the OTP loans.

8584
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ROLE OF SINGLE EXCHANGE RATE IN FOREIGN TRADE DISCUSSED

Bucharest REVISTA ECONOMICA in Romanian No 10, 6 Mar 81 pp 11-12

[Article by Marin Lixandru: "Single Exchange Rate, Instrument of Self-Management"]

[Text] In recent years, our country's participation in the international division of labor has steadily increased, as has the portion of the national income obtained from foreign trade activities. This stems from the contemporary reality that an efficient pursuit of economic affairs and economic production cannot be achieved without active foreign economic relations.

The multilateral development of our national economy and the advantages derived from participation in the international division of labor, demand that improvements be brought to workers' self-management and to financial and currency self-administration in foreign trade activities, so as to rationally manage currency resources and to assure the existence of currency means needed to pay for importations.

To this end, extremely important regulatory acts have recently been formulated and approved. Some of these are: Law No 12/1980, referring to foreign trade activities; Law No 10/1980 and other regulations, referring to the updating and improved correlation of production and delivery prices, tariffs, and so on, on the basis of economic principles; as well as other such measures.

In the area of foreign trade, Law No 12/1980 stipulates a number of measures and orientations meant to strengthen workers' self-management, and economic-financial and cu rency self-administration, to encourage economic units to expand foreign exchange and international economic cooperation, to increase the state's currency reserves, and to achieve foreign trade balance.

One of these measures has been the introduction of the single exchange rate, which has been operating since 1 January 1981, when the leu-currency, the domestic discounting coefficient, and other features were abandoned. The single exchange rate was established at a level which reflects the 1981 average rate of return obtained from exportation and importation, differentiated by products and groups of products, as well as by the structure of Romania's exportation and importation during the current period.

The area of utilization of the single exchange rate is broad, and is expected to broaden even further. Among other things, it is used to:

Evaluate exportations, importations, and other elements (chapters) of the foreign trade balance of payments; for instance, the volume of foreign trade, currency debts and obligations, the degree of participation in international economic cooperation, and so on, are expressed in lei at the single exchange rate, which thus becomes a clear and significant standard for financial-currency measurement of our country's participation in the international division of labor;

Evaluate in currency the material and labor costs of exported goods and of other projects and services abroad, by converting them from lei into currency using the single exchange rate. The single exchange rate reflects the real dimensions of these domestic costs and makes it possible to perform comparisons, calculations, and so on;

Evaluate imported goods and other imported projects and services, by converting foreign prices from currency into lei using the single exchange rate. As a result, the respective importations enter the national economy at prices in lei, the majority of which are determined by converting the currency expended using the single exchange rate. Thus, the domestic prices of raw and other material importations, as well as of importations intended for investments or services, which have no equivalent in domestic production, are determined by converting foreign prices using the single exchange rate. Similarly, in establishing the domestic prices of raw and other materials that are imported as supplements, the single exchange rate is used to determine the weighted average price of these products;

Determine the efficiency of foreign trade operations, since the single exchange rate reflects better and more conclusively, first, the efforts expended to obtain the currency as compared to these costs throughout the world, and secondly, the results obtained.

Fulfilling all these functions, the single exchange rate is a flexible instrument available to units and to all those who are active in foreign trade, for evaluating the costs and results of foreign trade activities, and on this basis for allowing them to channel their efforts toward achieving -- with their available time and means -- the highest possible utilization values that will be rewarded with the highest possible amount of currency. At the same time, this makes it possible to better assess the currency assigned to importations, so as to undertake only the strictly necessary importations, and so that the latter will be oriented as judiciously as possible toward the best and most efficient utilization, taking into consideration the fact that this ultimately represents the results of the efforts and strivings of the respective units.

The single exchange rate helps units with foreign trade activities and their workers to classify goods according to their level of economic efficiency, and on this basis, to take decisions regarding the volume of export production, its composition, its orientation toward markets and time periods, as well as other measures designed to increase the efficiency of an enterprises' exportations.

At the level of centrals and the ministry, the single exchange rate becomes an instrument for analyzing the structure of export production, and the degree of efficiency of products and groups of products. At the same time, it makes it possible to compare exportations and importations in terms of export-import balances, degree of efficiency of importations for re-exportation, and the import-export exchange ratio (value of one ton of exported goods compared to the value of one ton of imported goods).

The efficiency of foreign trade operations must of course be determined by using such other indicators as: net currency contribution, rate of return of the currency contribution, and so on; this question will be the subject of a detailed analysis in a future issue.

The single exchange rate will be used by units to establish a plan for currency receipts and payments -- an instrument of major importance in the new economic-financial mechanism, which will provide a clearer picture of export-import activities and their results. The single exchange rate has a large sphere of applications in the banking-financial domain. In addition to the fact that it is an instrument for expressing and documenting financial-currency relations, bank accounts, and so on, the single exchange rate appears to be an effective rate for converting the currencies obtained from various foreign trade operations. Some of the operations that are converted at the single exchange rate are:

Currency operations for foreign credits, arbitration operations, and other currency banking operations, as well as interest discounting in currencies;

Extension of credits for exportations with payments due in more than one year, collection of payments due against the credit extended, and cancellation of payments due against credits received for importations;

Extension of credits to foreign trade enterprises against advance payments made to foreign suppliers in the importation of complex installations;

Currency rates associated with transportation and insurance payments during the foreign travel of equipment and materials used at construction sites, and for covering expenses involved in consulate visas, passport taxes, and the travel of personnel working abroad;

Conversion of the currency collected for tourism services, for selling in Romania goods with prices and rates set in foreign currencies, as well as for other international services;

Conversion of the value in lei of direct exchanges of consumer goods which are paid for and collected in foreign currencies;

Conversion of the sums covering agent commissions, rebates, bank commissions, debts, taxes in currency, penalties, and so on.

The single exchange rate must become an operating and practical reality in foreign trade activities, and express a real relationship between our own and foreign

currencies based on the level of foreign prices and the social labor expenditures required to produce export goods. After it is established, the single exchange rate must be considered as maximum for exportation, and all exporting units must take decisive action to adopt it at that level.

Through its functions and role, the single exchange rate encourages units with foreign trade activities in the production and traffic of goods, to enter more decisively and consciously into the diversification of export production and adapt it to the requirements of foreign markets, so that results will be as efficient as possible.

The application of the single exchange rate and the successful fulfillment of its role depend on the manner in which domestic prices are established in lei, on production and delivery, on exportation and importation products, on tariffs, and so on. Starting with these requirements, with the changes that have occurred in production costs -- particularly in the extraction industry -- and with the strong increase in foreign prices for raw and other materials -- and especially for fuels, ores, and other imported raw materials -- Decree No 392/1980 updated a number of prices to match these changes. This revision placed a number of prices which had been fixed in previous periods, under the prevailing conditions of those times, in agreement with the expenses actually undertaken, while aiming at the profitability of all economic activities.

One basic objective of this updating was also to improve the correlation among prices according to economic principles, and among domestic production and delivery prices, assuring a proper relationship among branches and sub-branches so that all labor and financial resources will be rationally used.

Established on a real basis, prices become a lever in the rational utilization of raw materials intended for production and products, and in obtaining optimum results. In this manner, the correlation among domestic prices will no longer be fundamentally different from the correlations that exist among foreign prices on the world market, and consequently will make efficiency indicators more expressive and more conclusive.

The continued improvement of the price system, together with more efficient economic activities -- including in the foreign trade sector -- on the basis of a continued reduction in costs and higher exportation prices, creates a framework for strengthening the role of the single exchange rate, expanding its sphere of application, and preparing the transition to a higher stage in the use of economic leverages through convertibility of the leu.

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IMPROVEMENT OF FACTORY TRANSPORT OPERATIONS COMPLEX ISSUE

Bucharest REVISTA ECONOMICA in Romanian No 11, 13 Mar 81 pp 8-9

[Article by Barbu Gh. Petrescu: "The Modernization of Factory Transportation"]

[Text] The raising of economic efficiency constitutes one of the essential coordinates of the transition to a new quality in the economic and production activity of the industrial units, a basic condition for continually increasing their contribution to the general development of society. "The steady application of the new economic and financial mechanism, the strengthening of worker self-management and of self-administration, the reduction of costs and the growth of profits, the providing of a profitable economic activity in all the units," Comrade Nicolae Ceausescu pointed out, "acquire a special significance in the current stage."

In the context of these important tasks and concerns, the approach to the problems regarding the present system of factory transportation acquires a special importance, justified, on the one hand, by the fact that the activity of moving the objects of labor in the process of production represents a factor that directly conditions the continuity of the processes, determining the steady achievement of manufacturing, and, on the other hand, by the fact that the financial effort for factory transportation still has a significant percentage in the production costs.

The Rationality of Traffic Routes

The problems of factory transportation have a complex character, since they include both technical and economic elements and aspects regarding labor psychology and safety. Consequently, in analyzing these problems it is necessary to take into consideration all the factors that influence its efficiency: the object of transportation, the lines of transportation and the manner of organization of the equipment used, and so on. The economic importance of factory transportation in modern production is determined by a group of considerations, including:

a) The production spaces and the halls of the enterprises are becoming bigger and bigger. In consequence, the distance between sections and the workplaces are also becoming bigger and bigger, this aspect being even more evident in the case of specialized production (the enterprises "Semanatoarea," "23 August," IMGB [Bucharest Heavy Machinery Enterprise], "Vulcan," "Aversa," "Timpuri Noi" and Braila "Progresul" and the Bucharest Electric Machinery Enterprise);

b) The continual expansion of the division of labor. In connection with this, the relations of cooperation and the elimination of intermediate stocks between operations, shops and sections have acquired a greater importance;

c) The trend toward growth of the weight of complex products--heavy machine tools and multifunctional sets of machines (technological equipment, high-power internal-combustion engines, ships and so on). Consequently, both bigger quantities and weights must be transported, which often requires the modification of the technical and organizational conditions.

The differences between rational factory transportation and irrational factory transportation become evident on the basis of considerations closely connected with the efficiency of the activity. For instance, various materials and SDV's (tools, devices and gages) with a total weight of 150-200 tons are moved (handled) in order to produce 1 ton of parts in a foundry. In a similar unit, due to better organization of transportation, it was necessary to handle only 70 tons of material for making an identical quantity of finished castings (data resulting from the analyses made in the foundry sections of the enterprises "Semanatoarea," "23 August" and "Timpuri Noi" in Bucharest).

These examples lead to the necessity of reorganizing the activity of factory transportation and the determination of the shortest path over which a certain load must be moved, with the lowest consumption of time energy, manpower and means of transportation. The respective operation must lead to the optimization of transportation, along with the finding of means that would permit the mechanization and automation of the handling operations.

A Varied Range of Systems of Machines and Equipment

The modernization of factory transportation and of the handling of raw materials, supplies and finished products in the machine-building units in our country requires the inclusion of a varied range of machines and installations in the organizational systems adopted. Thus, in order to serve the various sectors of the economy, it would be necessary to make in the specialized enterprises the following systems of hoisting and transport machines: the system of cranes on tires, the system of machines for the construction and construction-materials industry, the system of machines for storehouses and warehouses, the system of machines for intrafactory ground transportation, the system of machines for containerization and the system of machines for mechanizing the ports.

The supplying of the hoisting and transport equipment and installations specific to the above-mentioned systems to the machine-building enterprises for 1981-1985 and the fitting of them into a unitary conception regarding the organization of factory transportation are helping to increase the economic efficiency of this activity. In 1981, the industrial output of the MICM [Ministry of the Machine Building Industry] is rising about 1.68-fold in comparison with 1976. As a result of the application of the special program for mechanization, the production increase will be 8.32 times higher in 1981 than in 1976, a fact that leads to the conclusion that progress has been made in the mechanization of factory transportation. However, the percentage of the production increases related to the value of the industrial output is still low, it representing an average of 2.3 percent in the 1976-1980 five-year period. In addition, the labor productivity rose 7.39-fold in the same period of time, as a result of the application of the special program for overall mechanization of

factory transportation and of loading and unloading work and for reorganization of technological flows.

Nevertheless, a number of problems are still raised with regard to meeting in 1981-1985 the need for hoisting and transport machines as finished products necessary to the factory-transport and handling systems. The specialized enterprises within the Ministry of the Machine Building Industry (the Timisoara Machine Enterprise, the Lugoj IUNT /expansion unknown/, the Bocsa ICM /expansion unknown/, the Toplet Machine Enterprise, the Bucharest IPMA /Enterprise for Elevator Manufacture and Installation/ and others), which have the task of achieving in the current five-year period 96 percent of the requirement of hoisting and transport machines for the needs of the whole national economy, will have to devote full attention to assimilating the means which are in great demand and which provide for growth of the mechanization of the different operations.

The very own requirements of the units of the machine-building industry necessitate this. In the respective context, we must state that, in relation to the situation in the economy, the percentage of the personnel involved in the activity of factory transportation in the industrial centrals of the MICM is still high (on the average in the 1976-1980 five-year period, about 12.77 percent of the total in the national economy). From a calculation made on the basis of the centralized data at the MICM, it results that an increase in labor productivity in factory-transport and handling activity from 2,100 tons per man per year to 3,300 tons per man per year can be achieved by combining the organizational systems with the furnishing of highly technical installations and equipment. On this basis it is possible to obtain a relative savings of nearly 20,000 persons at the level of 1981.

The typification and unification of production are of great efficiency in the action of achieving the systems of means of transportation. In order for the action to have the characteristics of a process of maximum efficiency, it is necessary to also achieve, depending on the requirements of the systems for mechanization and modernization of factory transportation, the concrete conditions for achieving typified components (modules). The expansion of typification in the field of hoisting and transport machines, for instance, can include general-purpose traveling cranes, grab-bucket traveling cranes, general-purpose portal cranes, and motor cranes, whose manufacture in the 1981-1985 five-year period can be organized on the basis of modern technologies centered around unification down to a product level, leading to a significant rise in labor productivity, the economizing of raw materials, supplies and energy and, implicitly, the growth of efficiency in the activity of execution.

The Assimilation of New Products and the Process of Integration of Transportation

The studies on specialization and particularization of production drawn up for the group of motor vehicles and other self-propelled equipment point out that both in the current five-year period and in the next period the development of new capacities will be oriented toward a more modern, flexible concept. This also implies substantial changes in the organization of factory transportation, namely, the attainment of a structure based on the following types of units: particularized and specialized technological lines, shops, sections, factories and enterprises with palletized, controlled and unitarily conceived factory transportation; units for assembly of finished products (the enterprises for compact automobiles, light utility motor vehicles, busses, special trucks and so on); units for assembly of final components (of compression-ignition engines, clutches, axles and live axles, hydraulic

transmissions and so on); units that produce components--small processed parts, subassemblies or equipment (producers of pistons, rings, pins, valves, crankshafts, gearwheels and shafts for gearboxes, shock absorbers, bearings and so on).

Each of them raises problems of economic efficiency in the organization of transportation in sections and between sections. Many of the existing enterprises will be developed further in accordance with the current specialty, which corresponds to the requirements for specialization of production (Sinaia Precision Machinery, Subiu Automotive Parts, Cluj "Triumf" and so on). In addition, the present enterprises that produce motor vehicles or self-propelled equipment (Truck and "Tractorul" in Brasov, Muscel Machine, Pitesti Automobile, Bucharest "Semanatoarea" and so on) will considerably simplify their specialty, remaining as units for assembly of final products, with some sections specializing in the manufacture of components, which, however, will be produced on a centralized basis for meeting the entire need in the respective field. Regarding the whole of this big group of products, it is necessary to point out two extremely important aspects that directly condition the efficient achievement of the planned development, of the rational organization of factory transportation, namely:

The providing of strongly specialized research and development capacities for each of the basic components of this group of products, knowing that the technical level, quality, competitiveness and, respectively, efficiency in the manufacture of the final products for factory transportation are strictly determined by the existence of an output of components found at the highest possible level from all viewpoints;

The promotion of actions of interfactory cooperation and of specialization of production in the field of components, which would permit, on the one hand, the growth of the manufacturing series and, on the other hand, an even more marked diversification of the assortment of finished products, based on specialized production and the mutual furnishing of components.

Elements of Orientation in Prospect

A basic characteristic of the manufacture of technological equipment is the reduced repeatability of the execution of a listed assortment (a unicum and a small series), this entailing a significant percentage of the cost of conception in the expenses for achieving the product and in providing it on the dates requested by customers. The raising of the conception of technological equipment to a higher level by expanding the typification and unification in designing it is urgently required and has special implications for the organization of factory transportation. To this end, it is necessary to coordinate the conception activity of the research, design and technological-engineering institutes for putting into practice an extensive program of typification and unification in the field of equipment supply. Within the framework of this program, it is necessary to approach specific problems, oriented toward complete technological lines, the equipment that enters into the lines' composition, parts and elements that enter into the equipment's composition and so on.

The implementation of this program is a complex process of assimilating the manufacture in our country of families of equipment, technologies and complete technological lines, including for factory transportation. Over 50 percent of the weight of the products in the specialty of our machine-building industry consists of castings and forgings with later processing by means of cutting. There is a trend toward growth of this weight, along with the growth of the manufacturing series and of the

complexity of the parts. The providing of cast and forged semiproducts at the level of the requirements of the processing sectors constitutes a basic premise for efficient activity in machine building. For these reasons, the forecast of the quantitative and qualitative development of the production of castings and forgings, including the substantiation of the proposals for 1981-1985, formed the subject of special studies for the branch as a whole.

In coordination with the development of the production capacities for castings and forgings and with the technologies in the respective field, special studies were drawn up for developing the production of technological equipment necessary to these sectors in which factory transportation occupies an important place. It should be pointed out that in the versions with an improved structure for the machine-building industry the requirements for castings and forgings are higher especially from a viewpoint of the quality of the respective parts. At the same time, in view of the higher specific investment in the case of these versions, in the 1981-1985 period it is necessary to organize better the intrafactory transportation adapted for the working conditions on belts or a conveyor.

The changes that will occur in the technological processes in the enterprises will also lead naturally to better, more efficient organization of factory transportation. It is intended that some of the machines, equipment and installations that will be made will also lead to better organization of factory transportation. This is why the enterprises must devote great attention to the activity of assimilating new products and integrating factory transportation into the process of production, so as to provide from the phase of conception:

The use of containerization and palletization to the utmost, with containers specially adapted to the components with a big manufacturing series;

The organization of vertically modularized warehouses, served by translators with horizontal and vertical movements;

The utilization of specialized vehicles for the transportation of containers from warehouses to the entrance of the manufacturing lines;

The use of tracks with rollers between machines and technological lines with a gravitational effect, in order to reduce the energy consumption;

The equipping of each machine tool with an easily maneuverable ordinary, pneumatic or electric hoisting apparatus, in order to reduce the energy consumption;

The optimization of traffic routes;

The use of transportation by means of suspended conveyor belts, in the case of large-scale production, of multipurpose lines, between separate shops and sections, and in the case of assembly on a conveyor.

Of course, to the stated measures it is also possible to add others, depending on the specific character and the concrete conditions in each enterprise.

12105
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STUDY IN WORKER SELF-MANAGEMENT DETAILED

Bucharest REVISTA ECONOMICA in Romanian No 11, 13 Mar [illegible] pp 16-17

[Article by Cristea Ionita of the Brasov Intercounty Party School and Dorin Constantinescu: "Worker Democracy--Active Participation by the Working People in Improving the Entire Economic Activity of the Enterprise"]

[Text] The direct, immediate participation of the working people in self-management and economic and financial self-administration presupposes--it says in the draft of "Tezele Pentru cel de-al II-lea Congres al Consiliilor Oamenilor Muncii" [The Theses for the Second Congress of the Working People's Councils]--the assumption of the full responsibility for fulfilling the plan for economic and social development of the enterprise to all the indicators, managing the entrusted resources with maximum efficiency and performing the entire activity in perfect order and discipline.

Starting from the directions and tasks given by the secretary general of the party, Comrade Nicolae Ceausescu, on the occasion of the fruitful work visit in January, the representatives of the over 23,000 working people at the Brasov Truck Enterprise have exercised control over the activity of the collective leadership body, by means of the exacting analysis, made in the general assembly, of the report for 1980. Discussing the basic problems of the unit, the measures that are required in order to raise the results of the work to the level of efficiency and quality of the new five-year period, this decisionmaking forum has established--and concretized in the pledge made by means of the challenge to competition to all the enterprises in the machine-building industry--the objectives toward whose attainment the efforts and the creative potential of the truck builders must be oriented. The working people's council thus has, at present, a comprehensive and thorough program of action, springing from the collective experience and wisdom.

Self-Management: Individual and Collective Responsibility for Fulfilling Each Indicator of the Plan

Crowning the results in the past five-year period, in which the enterprise achieved additionally an output valued at 765 million lei, the year 1980 registered in the

assets on the balance sheet the overfulfillment of the plan for net, commodity and gross output and a high rate of renovation of the range of manufacturing (with the percentage of new and modernized products attaining 72 percent of the value of the commodity output, as compared with a planned level of 61 percent).

However, for other indicators, essential for correctly applying the new economic and financial mechanism, the results were marked with a minus. For physical output, the IAB [Brasov Truck Enterprise] fell 2.4 percent short. The labor productivity calculated for the net output, although registering a rise of 20 percent, did not attain the stipulated level. The total costs per 1,000 lei of commodity output were 22.3 lei over the allowed ceiling (including 8.3 lei for material costs), causing the profits to be 13.6 percent below the planned amount. Lastly, the deliveries for exportation were, in terms of value, one-tenth below those stipulated.

A big part of the responsibility for these shortfalls goes to the members of the working people's council, who did not succeed in pursuing the finalization of the technical and organizational measures adopted and in establishing programs in order to make flexible and reorganize manufacturing lines in accordance with the renovation of the products, to eliminate the bottlenecks and to reduce the specific consumptions of metal and fuel.

The COM [working people's council] and its executive bureau did not manage to more steadily involve the "Autoexportimport" foreign trade enterprise, through the appropriate industrial central, in the sale of the entire output meant for exportation. The experience accumulated must cause a fundamental reconsideration of the way in which collaboration has been achieved thus far with the "Autoexportimport" enterprise. In this regard, the regulatory framework established by means of the Law for the Strengthening of Worker Self-Management and Economic, Financial and Valuta Self-Administration in the Activity of Foreign Trade and International Economic Cooperation provides for the strengthening of the responsibility of each of the parties. The two enterprises are obliged to find, together with the central, new methods of prospecting the markets and of attracting foreign partners. In 1981--regarded as being the basic year in the achievement of the qualitative leap, in the transition of all the activities of the enterprise from extensive development to intensive development--it is the year when the percentage of the products for exportation must climb to about 80 percent, as compared with 30 percent in the past five-year period, in such a way that the Romanian truck also stands competitively alongside those made by world-famous firms with regard to penetration into new segments of the international market.

Worker self-management, by means of the factors and instruments that the working people's councils possess under the conditions of the new economic and financial mechanism, deepens the democratic character of planning. To the extent to which internal conditions are created and a file of firm orders is obtained, the COM can act, with measures and decisions, to increase the level of the output meant for exportation. In this regard, the pledge made in the general assembly provides for the achievement, this year, of an additional output for exportation valued at 20 million lei, under conditions of high quality and efficiency.

Although, at the IAB, the 35 members of the working people's council are at the apex of the pyramid of worker self-management, it has clearly resulted that it is not possible to eliminate the shortcomings manifested last year if they are not helped

by each worker, foreman, engineer, technician and economist, if the responsibility of each member of the group for obtaining maximum results at each workplace does not increase. Collective responsibility is a sum of individual responsibilities, but not only that. It is a question of worker responsibility for the tasks entrusted to each one, but also for the work of the next man. Individual responsibility must not be hidden behind collective leadership.

Each worker in the enterprise is obliged to participate in identifying and utilizing fully the internal resources for steadily achieving the physical output on the planned dates and in the planned assortments, a basic condition for maintaining the necessary equilibrium between receipts and payments, on which self-administration is based.

Self-Management: Full Utilization of the Technical and Human Potential at High Parameters of Efficiency

Worker self-management requires the strengthening of the main links for providing incentives and increasing the responsibility and self-responsibility at each workplace: the scientific substantiation of the work quotas. By this means, it is necessary to utilize productively the reserves contained in the quotas practiced thus far, which, in 1980, caused 4,000 workers to overfulfill the time quotas by 10-20 percent, 1,700 by 20-30 percent and nearly 1,400 by over 30 percent. The necessity for the members of the working people's council to involve both the appropriate departments and the commissions for fields in implementing the program for improving the work standards and quotas, in order to reduce the dispersion of the degree of fulfillment of them and correlate them with the target for growth in labor productivity and with the production plan, seems evident.

The lag with regard to the planned level of labor productivity last year was also due to the fact that the allowed average number of worker personnel was exceeded by 333 people, that the available time supply was not utilized to the utmost (the volume of leaves of absence, tardiness, absenteeism and sick leave in man-hours was equivalent to some 1,400 inactive working people), and that about 1,000 people with qualifications below those needed for the work were used.

The program adopted by the general assembly places before the working people's council, along with a continual exacting analysis and full utilization of the work forces, the task of acting to utilize the technical equipment to the utmost and to supplement it, mainly through their own forces, at the level of the requirements resulting from the production plan. In this regard, steps have also been taken to introduce group technologies, to modernize 10 molding and casting lines and to expand work at many pieces of machinery and equipment. The diversification of the assortments (motors of various powers, new types of machine tools, a greater range of automotive spare parts, the takeover of the manufacture of heavy dump trucks of 25-27 tons from the Hirsa IM [expansion unknown], the introduction of the self-propelled 6-row corn-picking combine into production, and so on) requires an increase in technological mobility. For this purpose, the flows on 46 manufacturing lines will be reorganized. At the same time, there will be achieved through self-equipping the main equipment that will be used on the manufacturing lines for diesel engines of 215-256 and 280 horsepower--recently introduced into production--with a capacity of 30,000 pieces per year, and 80 aggregate machine tools and technological lines of our own devising will be executed additionally, which will mean, through the replacement of imports, a significant reduction of the valuta effort.

The pledge with regard to overfulfilling by 1,000 lei the planned level of labor productivity per person in 1981 is thus well substantiated. Its fulfillment depends on factors such as the promptness and perseverance with which those who are responsible for applying the established measures will act, the continual supervision and assistance on the part of the collective leadership, and the affirmation of a climate of order and discipline, of advanced civic spirit.

Self-Management: Sensible Management of Resources, Reduction of Expenses, Growth of Economic Efficiency

The affirmation of the principles of collective labor and leadership in practice and the necessity of adopting a substantiated decision require the involvement of the staffs of specialists and the commissions for fields in preparing, in many versions, the solutions for working things out and the systematic consultation of the staffs in the sections and shops. Not utilizing sufficiently this resource of thought and action in the period for preparing the plan, the working people's council was compelled to place before the general assembly an essential problem: considering also the shortfalls last year, in 1981 the costs per 1,000 lei of commodity output must be reduced by 43 lei, and from the analyses made, it results that only 13 lei can be achieved. What was to be done? Those who took the floor, conveying the opinion of the staffs that they represented, helped the COM, by means of their proposals, find a large number of ways to substantiate and fulfill the target for reduction of the production costs, especially the material ones. Worker self-management thus manifested itself in high exactingness regarding the sensible management of metal, energy and fuel.

Although a reduction of the average percentage of rejects from 5.16 percent to 4.71 percent was achieved last year, over 16,000 tons of rejected metal were nonetheless registered, each of these tons meaning additional consumptions of 855 lei for manual labor, 0.65 megawatt-hours of electric power and 0.19 tons of conventional fuel. Considering the value equivalent of the losses, it results that for nearly 5 days the whole staff of the enterprise worked only for...rejects.

The identification of the causes of this situation put on the work agenda of the COM, as priority problems, the imparting of strict technological discipline, the precise respecting of the technical documentation for manufacturing even the smallest part incorporated into the finished product, but also the improvement of those technologies that do not exhibit sufficient reliability and involve high levels of consumption, the better organization of the maintenance on SDV's /tools, devices and gages/ and the replacement of those with a high degree of wear.

The proposals made, the measures adopted and the actions undertaken at present have in view, for instance: the introduction of new cutting and casting procedures; the expansion of the procedure of hot and cold extrusion, which would eliminate rejects and raise the metal-utilization index from the present level of 0.80 to 0.87 (which the world-famous companies achieve); the transition to the application of efficient solutions for reclaiming the used sand in foundries; the redesigning of the technologies for 150 components; and the equipping of the 14 preheating furnaces with automatic control and radiation recuperators, which will save about 23 kg of conventional fuel per ton of forgings. The calculations made estimate that by modernizing the products and technologies and by cutting the rolled metal as rationally as possible 100 tons of metal will be saved additionally, to which will be added the effect of

the reconditioning of spare parts. In addition, considering that, at the level of a year, the shavings and other reusable materials of metal total about 100,000 tons, practical measures for utilizing 60 percent of this quantity in the enterprise have been established, which will mean the obtaining, with much lower costs, of over 30,000 tons of castings of pig iron and steel and the corresponding reduction of the need to be supplied.

The whole group of actions initiated--part of them beginning to be materialized and others still being on the drawing board--represents an important investment of technical and economic intelligence of the staff, whose projected results at the level of the year amount to 10 million lei in profits beyond the plan--with a portion of this sum going to increase the fund for sharing profits with the working people. The enterprise's workers are aware of the fact that this fund is not allocated from anywhere knows what source outside the plant but is formed day by day from their labor and that its volume is directly conditioned by the efficiency of this labor.

Naturally, attention must also be concentrated on that essential element of economic efficiency, on the unit's plane and on a social plane, that we call synthetically the quality of the products. As a specialized enterprise for exportation and, at the same time, as a supplier of products required by the main branches of the national economy, the IAB is in the stage of redefining its own concept of quality, whose reformulation--with the changes that it will cause in manufacturing--is focused on elements like functionality, performance, reliability and competitiveness. In the examination at the final inspection, the truck must not present itself as at a lottery, with the possibility of passing or not passing, but with the certainty of success that the constantly improved conception, the careful execution and the checks according to phases give it. An initial choice made in this regard refers to the growth of the percentage of new and modernized products to 90 percent, the modernization of 27 test and trial stands in the field of manufacturing and reception, the achievement of 22 new stands, and so on. However, it will be much more necessary to generalize and perpetuate at the level of the whole staff the mode of thinking that has become traditional among the personnel who have built the prestige of the enterprise in its 60 years of existence--that to work very well must be the normal level, beyond which the wide field for exceptional work may be opened up.

This too is an important problem of self-management. It must be solved in the spirit of the things said by Comrade Nicolae Ceausescu at the general assembly of the working people at the Bucharest "23 August" enterprise: "In production, democracy--as it were--is connected with the technical level. Democracy dictates the requirements for the qualitative and technical achievement of the stipulated output. In the name of democracy it is not possible to accept rejects, it is not possible to accept poor quality in production!"

The working people's council is also obliged to transmit the appeal made by the general assembly to collaborating units and other suppliers of components, like the Sfintu Gheorghe Enterprise for Automotive Subassemblies and Machinery Sets (gearboxes), the Pitesti Automobile Enterprise (water pumps), the Satu Mare and Sibiu enterprises for automotive parts (brake equipment), Sacele "Electroprecizia" and the Bucharest Precision Machinery Enterprise (electrical equipment), Bucharest "Danubiana" and Floresti "Victoria" (tires) and so on, to raise the crossbar of the reliability of the parts and subassemblies that they furnish, in order to aline their terms of guarantee with those of the finished trucks.

The flow "ideas plus strategic decisions (the general assembly)-organization and control of their fulfillment (the working people's council)-achievement plus new ideas en route (the work staff)" completes a circuit of initiative and creation with self-feeding, capable of uninterrupted progress along the spiral of new, higher quality. The example of the Brasov Truck Enterprise demonstrates that this circuit works at a high voltage, attracting the latent energies into the magnetic field of self-management and putting them to work.

12105
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IMPROVEMENTS IN UTILIZATION OF FORESTRY RESOURCES

Bucharest REVISTA ECONOMICA in Romanian No 10, 6 Mar 81 pp 8-10

[Article by Constantin Mocanu, Academy of Economic Studies, Bucharest]

[Text] Lumber represents a most significant resource for the national economy. That is why, throughout its exploitation and utilization, and at all technical stages, there is a need to heighten the efforts made in each production unit by all those involved, toward a rational administration and superior valorification of the available wood resources. An important role in this respect is played by an improved exploitation of the forestry fund, where a basic requirement is the optimum development of permanent roads and installations for removing and transporting the wood (forest roads and railways, suspension cables, draft animal teams, and so on).

Present Forest Endowment With Permanent Means of Transportation

An appropriate availability of forest roads allows for a proper performance of cultivation and exploitation activities. This is the basis for expanded intensive cutting, rational exploitation of the forest, as well as appropriate sorting of the felled wood, economical transportation of the raw material to industrialization units, and so on. This endowment with roads assures a higher efficiency in the use of forestry machinery and equipment and in the exploitation of forests; at the same time, forest roads are also highly useful for other activities such as hydrotechnical installations, mining and petroleum exploitations, the organization and exploitation of alpine pastures, tourism, prospecting, and so on.

It is notable that specialized research in other countries (1), confirmed by studies carried out in Romania at ICPIL (Research and Design Institute for the Wood Industry) and at the University of Brasov, shows that the removal of trees from corridors to form forest roads does not create losses of lumber or reduce protection, as long as the width of the corridor does not exceed 12 m, because: the clearing of a corridor encourages the growth of trees bordering the corridor, which now receive more nutrients and light; the growth of bordering trees compensates for the direct losses caused by removing trees from the site of the road; the forest borders thus created resist wind impact and provide protection strips which prohibit fire propagation.

(1) M. Kramer, Influence of Intensive Forestry on Means of Transportation, F.A.O., Geneva, 1968.

Table 1. Development and cost of forest road construction during the years 1970-1980

	1970	1975	1976	1979	1980
Roads built, km	1,506	994	747	850	1,031
Average collection distance, km	1.44	1.56	1.60	1.85	2.0
Average unit costs (per cubic meter) for collection and transportation, percent	100	131	142	171	--

Table 2. Density of transportation installations and collection distances in some European countries

Country	Density, m/ha	Collection distance, m
France	18-26	200-300
West Germany	18-45	200-300
East Germany	12.8	400
Bulgaria	7.6	1,000
Switzerland	45	100-200
Austria	17	300-400

Table 3. Comparative unit cost for various means in collecting and transporting wood from forests (percent)

Activity	Means of transportation	Cost	Liquid fuel consumption
Collection	Tractor	100	100
	Suspended cable	111	48-92
	Draft animal teams	127	---
Transportation	Auto	4.2	9.2
	Forest railway	6.4	--
	Permanent cable	77	--

A constant concern, particularly during the last 15-20 years, has existed in our country, aimed at:

Opening during the 1960-1970 period, the large isolated forests of Cerna-Herculane, Nera, Motru-Jiu, Lapus-Cavnic, Vrancea, Topolog, Vilsan, Riul Doamnei, Dimbovita, Retezat, Cugir, Somesul Cald, Somesul Rece, Rusca, Izvoarele Rimnicului, Mehadica, and so on, which were not connected to public means of transportation, by building radial roads which made it possible to supply wood processing combines with raw materials;

Building after 1970, forest roads for production units, and assigning priority to those with large volumes of more valuable wood (see table 1). As a result of these measures, at the end of 1980 for instance, the density of transportation roads in forests reached 5.6 m/ha, so that 62 percent of the forestry fund was considered as

accessible; the remainder, located further than 2 km from a means of transportation, was considered inaccessible. Various studies have shown that compared to some European countries, Romania has a weaker position in terms of density of means of transportation and collection distances (see table 2). Improvements in this situation could allow a better correlation of cutting quotas with each unit's production capabilities, and expansion of intensive cutting to the concentration of felling in adjoining cutting parcels sooner than 3-7 years.

Present collection distances are large (2 km), a condition which can lead to damages to standing trees, higher collection costs, and large fuel consumptions. Consequently, the costs of wood collection and transportation have grown significantly, even though the mechanization of operations has increased.

Collection operations represent 40-45 percent of all exploitation costs. Unit transportation costs are 20-30 times lower than collecting costs (see table 3); all countries therefore seek to increase the density of roads, implicitly reducing collection distances and consequently, costs (2).

Requirements for Higher Efficiency in Forest Exploitation

The implementation of the provisions in the National Program for Conserving and Developing the Forestry Fund During the 1976-2010 Period, makes it necessary to continue to develop an adequate network of more than 9000 km of forest roads during the 1981-1985 period, so as to provide accessibility to the entire forestry fund by the end of the program, with the shortest possible collection distances. In the opinion of MEFMC (Ministry of the Forestry Economy and Construction Materials) specialists, and according to specialized studies, the accessibility of the entire forestry fund requires the construction -- during the 1979-1995 period -- of 27,400 km of radial roads, which will result in a density of 9.8 m/ha (3).

It is however notable that the forest roads which remain to be built are located toward the heads of valleys, where the terrain is more difficult and requires more grading and rock removal. In the light of the experience acquired by other countries, it is also necessary to begin building connecting service roads between collection points, with significant effects not only on forest management, but also on higher labor productivity and lower production costs.

The construction of these roads will make it possible to attain stipulated cutting quotas in terms of total volume and varieties established for forest management; avoid cutting concentration in accessible areas in mountain zones; respect programmed adjoinment of cutting parcels (3-7 years); promote natural regrowth; and maintain or reduce present costs and fuel consumptions in forest exploitations. Such a road network will assure the deepest possible penetration in forests, often to their last parcels, enabling the most urgent interventions and facilitating the protection of forests against fires and pests. At the same time, the achievement of

(2) Documents regarding the road endowment of the forestry fund administered by MEFMC.

(3) Study program regarding the road endowment of forests administered by MEFMC.

a satisfactorily dense road network in forests makes it possible to harvest all their products and maintain continuity in lumber production. The consolidation of the forest road network will also play a significant role in expanding improvement cuttings and forest management of young, growing forests, where it should be possible to harvest 7.1 million cubic meters of wood, suitable for many applications. Before nationalization, these cutting provided only about 3 percent of the total wood volume extracted from the forests. This harvest, staggered in time and space, will also make it possible to proportionally reduce major cuttings, allowing overused forests the respite necessary for replenishing.

Routes are selected to avoid slopes (grades) in the direction covered by loaded vehicles, and to have accessible inclines. Collection roads, which are usually cut on hillsides, for which reason they are also called hillside roads, are narrow and are provided here and there with turnouts to allow the passage of vehicles moving in opposite directions. The roadways of all categories of forest roads will be consolidated with layers of river gravel or tumbled crushed rock. Major roads, intended for tourism, mining exploitation, and other purposes as well, will be covered with asphalt if the traffic is heavy.

Modern technologies have been adopted in recent years for forest road construction, such as work execution in two consecutive years: rough grading is performed during the first year, including bridges and retaining walls; during the second year, the rain-washed cut-and-fills are completed, the edges of cuts are filled-in, large bridges are built, and the road superstructure is laid down. By proceeding in this manner, the earth-fills built during the previous year are compacted by traffic and by the action of the weather. As a result, equipment and personnel can be used efficiently and continuously throughout the execution of the road.

Roads built during the last 20 years are decidedly of a permanent nature, being provided with retaining walls, as well as stone and concrete bridges and spans, which support the traffic of heavy vehicles at high speeds and in any weather. The endowment of enterprises with modern equipment (concrete mixers, bulldozers, crushers) reduces the duration of the work, with savings of manpower and materials.

Studies have shown that a reduction of an average of 1 km in the collection distance will reduce production costs by about 25-30 lei per cubic meter of exploited wood, and lower fuel consumption by about 0.4 kg of conventional fuel per cubic meter. This matter is particularly important since the research of specialists here and abroad has demonstrated that the damage caused to trees during wood collection in forests located on slopes, increases in direct proportion to the collection distance, the grade, and the cutting intensity.

Of course, the determination of concrete means for reaching this objective will have to constantly consider the major requirement of energy and fuel economy. In this light, it seems necessary to reconsider the importance accorded to means of wood transportation based on gravity or coal power, and to the removal of wood with draft animal teams. In reaching the best decisions, specialists and researchers will have to perform complex economic-financial calculations so that the solution adopted will be the most advantageous for the national economy.

In the opinion of specialists, the assurance of conditions and capabilities for building forest roads during the current five-year plan will require the organization within construction trusts of the MEFMC, of discrete departments for forest roads, with favorable effects on rates of execution as well as road quality.

The amplification of efforts for the practical application of these measures will substantially contribute, during this year and in the five-year plan, to a greater accessibility to this valuable raw material, and to the complete and comprehensive valorification of our country's forests.

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